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Established 1887

U.S. Seeks To Stop Mideast Conflict

By William Claiborne

Washington Post Service

JERUSALEM — U.S. special envoy Philip C. Habib met with Prime Minister Menachem Begin on Sunday to seek a cease-fire in the escalating Israeli Palestinian conflict as Israeli jets bombed Palestinian guerrilla centers in Lebanon and the Palestinians fired rockets and artillery at Israeb set-

A 14-year-old Israeli youth was killed when a barrage of rockets fell on the northern Israeli town of Kyriat Shemona, and 23 residents of the town were injured, including the youth's mother, who was in

The Israeli fighter-bombers pounded Palestinian regional command - headquarters throughout southern Lebanon in the ninth day of intensifying hostilities across the Lebanese border. Palestinian positions in Nabatiyet, Tyre and the crusader castle at Beaufort were among those bombed in Sunday's raids, the Israeli Army com-

An Israeli defense forces spokes-man said the Israeli pilots reported. "accurate hits" on guerrilla posi-tions, including artillery emplace-ments that earlier in the day had fired salvos into the Israeli coastal resort city of Nahariyya.

The headquarters of UN forces in southern Lebanon said that Sunday's bostilities began when Palestinian guerrillas fired eight artillery rounds at Naharryya. The Israeli Army responded 35 minutes later with 240 artillery and mortar rounds before Israeli bombers began their sorties, By midafternoon, UN spokesman Timur Goksel said, the Israelis had fixed 370 artillery rounds, compared with 60 fired by the Palestinians.

Palestine Liberation Organization in Beitut and carried by the Palestinian news agency WAFA mentioned no casualty figures. The Associated Press reported But Lebanese police said that 14 persons had been killed and 45 had been wounded in artillery and rocket duels between the Israeli border gunners and guerrillas.

gumers and guerrias.

("We put the responsibility of this aggression and acts of terror on the U.S. administration, which supplies this enemy [Israel] with sophisticated arms and means of destruction and which sanctions such attacks," the PLO commu-

niqué said.] Mr. Habib, who was ordered by President Reagan to break off his (Continued on Page 2, Col. 1)

night when an indoor "sky bridge"

turally spectacular hotel tower.

Walkways Crowded

with the music of a jazz number

called "Satin Doll" on the walk-

ways and in the lobby, shortly be-

fore the uppermost walkway col-

Normally the walkways are used

by guests moving from the side of the building containing living

quarters to meeting rooms on low-

er floors across the lobby. But at

the weekly social event called the

Tea Dance, participants were allowed to dance on the walkways as

well as in the lobby below.

As the crowd estimated by anthorities and hotel officials at

1,200 to 1,500 danced Friday

night, the second-level walk apparently snapped from the steel rods

that suspended it from the ceiling. It fell like a pancake onto the walk

below. Both walkways, themselves

filled with dancers and spectators, struck the crowd in the lobby.

of steel I-beams, covered with met-

al restraining sheets and then with

a layer of concrete about three

inches thick with girders woven in (Confinzed on Page 2, Col. 4)

The walkways were constructed

Witnesses said people had been standing elbow-to-elbow, swaying

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: Crest



A march in Dublin to show support for IRA hunger strikers ended in violence as police defended the British Embassy.

U.K. Again Rejects Talks With IRA Strikers

United Press International BELFAST — The British government on Sunday rejected the latest proposal for direct talks with IRA bunger strikers. Supporters of the prisoners in Dublin vowed to stage a new demonstration outside

the British Embassy.

About 180 people were injured Saturday when a march on the British Embassy by 17,000 hungerstrike supporters ended with hundreds of militants throwing bottles and bricks at police, who retaliated with repeated baton charges. -

Eight Irish Republican Army nnger strikers in Maze prison claimed on Saturday that a Red Cross attempt to resolve the pro-test has failed.

In the light of the Red Cross failure to draw the British to the negotiating table we are convinced that this is merely a cosmetic gesture aimed at placating condemnatory opinion," the hunger strikers said in a statement smuggled out of the jail.

The three-member Red Cross delegation arrived in Belfast Thursday from Geneva. They spent 4 hours Thursday, 12 hours Friday and most of Saturday in-side the complex of H-shaped cell

ince by Northern Ireland Secretary Humphrey Atkins "to assess and, if necessary, to make recommendations, to improve the conditions of imprisonment in Northern Ire-

The British government has nev-er indicated that the Red Cross should become a mediator, saying that the delegates were invited to

 The Warrington by-election signals emergence of a newstyle party in Britain, Page 4.

inspect prison conditions at Maze. This is a central issue in the protest that has cost six 'ives since May.

The hunger strikers said "nothing of relevance emerged" in their meeting with the Red Cross.

"Their attempt to initiate talks between ourselves and the British failed because the British were not even prepared to discuss a settle-ment," the prisoners' statement

The prisoners thanked the Red Cross for trying to prevent any further loss of life" and again called for direct talks with the government - a move that the government of Prime Minister Margaret Thatcher has rejected for fear it

They were invited to the prov- will antagonize Ulster's Printestant

Irish Premier Garret FitzGerald praised the police for their restraint in the rioting on Saturday. which he said "had been provoked by people who were warking not for a settlement of the hunger strike, but for a heightening of ten-sion and violence throughout Ire-

A police spokesman, after dis-playing thousands of bottles and

Aide to Thorn Dead in Brussels The Associated Press

BRUSSELS — Fernand Spaak, chief aide of the European Economic Community Commission President Gaston Thorn, and Mr. Spaak's wife were found dead at their home here Saturday, police reported Sunday.

Mr. Spaak had been killed with

trocuted. Police said Mrs. Spaak had shot her husband, then killed berself.

with Mr. Thorn to attend the Western economic summit meeting used to batter police, said, "this

The trouble erupted after march leader Bernadette Devlin McAliskey - one of Ulster's most influential political orators - was allowed through police lines to lay a wreath at the embassy, along with a few supporters. Hundreds of an-gry marchers tried to follow them.

Some demonstrators wielded poles as lances as they charged the cordon, accompanied by a hail of flying concrete slabs, siones, and bricks. Some police pitched the musiles back at the crowd. witnesses said.
Then the line parted and squads

of reinforcements in riot gear charged the crowd, laying into the demonstrators with 2-foot long batons and scattering them in a panic

In Belfast, Mr. Atkins rejected the eight hunger strikers' latest proposal for direct negotiations. He repeated the government position, which has remained the same from the start of the fasts.

negotiate with the hunger strikers until they called off their protest. Only then, he said, would Britain consider prison reforms. The government rejection of direct talks spelled almost certain death for Kieran Doherty, 25, and

Kevin Lynch, 24, who on Sunday had been on a fast for 59 and 58 days respectively. Both men were reported by relatives to be close to death and have received the last rites of the Roman Catholic Church.

In Dublin, supporters of the IRA prisoners met to map plans for another demonstration next Saturday. Government sources said that, this time, the army might be called out to help police protect the British Embassy.

was the worst violence directed at police in the history of the Repub-

Mr. Atkins said that he would not

other countries and general secre-tary in the Soviet Union and a few others — are chosen by the Central Committee in closed session. on most issues is close to that of

Mr. Kania, was viewed as some-thing of a token candidate, whose name was entered largely so that Mr. Kania would not run unop-According to the PAP news agency, other candidates were eho-

sen by the Central Committee but declined to run after thanking the committee "for confidence displayed toward them."
They were Mr. Olszowski, a hard-liner who has moved to a

more moderate position in recent weeks, and Mr. Mieczyslaw Rakowski, a liberal deputy premier who is the government's chief negotiator with the Solidarity trade union.

as Poland's Communist Party lead-

the new lineup, announced by Mr.

governing experience were Foreign Minister Jozef Czyrek and Interior

Mr. Kania's only opponent in the election Saturday night for party leader was Mr. Barcikowski,

another moderate. He had been nominated earlier in the day by the newly elected Central Committee.

The secret-ballot vote by the

1,955 delegates was another extraordinary event in the gathering.

Customarily, the party leaders in the countries of the Soviet bloc—

called first secretary in Poland and

Mr. Barcikowski, whose stand

Minister Miroslaw Milewski.

Along with Gen. Wojciech Jaruzelski, premier and minister of defense, these four are the only well-known members of the leadership who survived secret balloting Thursday night for 200 seats on the Central Committee. The delegates rejected five mem-

bers of the Polithuro, numerous provincial first secretaries and even the largely honorific head of state, Henryk Jablonski, Although they will not be on the party's Cen-tral Committee, Mr. Jablonski and the provincial party chiefs will not automatically lose their government positions.

The vote also beat back a hardline challenge to Mr. Kania that had been building up behind the scenes, eliminating some of its major proponents, including Tadeusz Grabski, a Politburo member who had planned to run for party lead-

Several prominent liberal reformers also lost, such as Tadeusz Fiszbach, the party leader in Gdansk, so the net effect of the shakeup appeared to be a victory for the center and a vindication of Mr. Kania's policy of cautious re-

in the Politburo election, carried out by a secret ballot among the 200 committee members, themselves voted into office three days earlier. The Politburo is the party's chief policy-making body and ef-fectively forms a Cabinet around the party leader.

Gen. Jaruzelski warned Sunday that strikes in Poland must end or authorities will act where neces-Four members of the previous 11-man Politburo were included in sary to protect "the nation against

His warning came only days be-fore strikes scheduled by Poland's national airline and 46,000 Baltic dockworkers belonging to Soliourity. The dockworkers are set to strike Thursday over pay and working conditions, and the airline employees Friday unless the gov-ernment agrees to let them choose

their own director.

Gen. Jaruzelski's remarks appeared to be a warning to Solidarity, which won 40 of the 200 (Continued on Page 2, Col. 5)



Following his re-election as head of Poland's Communist Party at an extraordinary congress in Warssw. Stanislaw Kania, left. was congratulated by runner-up Kazimierz Barcikowski, center, as Poland's premier, Gen. Wojciech Jaruzelski, looked on.

Poland: Secret Ballot In a One-Party State

By John Damton New York Times Service

WARSAW - Midway through last week's session of the extraordinary cougress of the Polish Communist Party, Micczyslaw Rakowski, the party's most prominent liberal, delivered an impas-

NEWS ANALYSIS

sioned plea for liberalization and reform. There was no other way except "renewal," he told the 1,955 delegates, or the country would become steeped in a bloodbath.

As the deputy premier stepped down from the podium to a thunderous ovation, a visiting American journalist watching it on closed-circuit television was moved by the sight of a man trying to sway a vast congregation to a position of conscience.
"Incredible!." he exclaimed.
"Absolutely incredible! That was

Teddy Kennedy speaking to the Democratic convention." The extraordinary congress was indeed extraordinary. Never before had there been one like it in the Soviet bloc. It broke so much

new ground, in procedures and spirit, that the temptation was strong to reach for Western analogies and conclude that something very much like democracy had somehow infiltrated the monopolistic rule of the Communist Party. changing it irrevocably.

Genuine Choice

For the first time, delegates, themselves selected by secret ballot, voted for their leaders secretly. For the first time, there was a genuine choice, since there were more Reagan Reportedly Decides to Ask Allies candidates than positions. Selecting a 200-member new Central Committee from among 279 candidates, delegates rejected five of nine members of the Politburo, making them ineligible for re-election to that supreme body.

The losers included two extreme conservatives — Tadeusz Grabski, who had hoped to unseat the moderate party leader. Stanislaw Kania, and Mieczyslaw Moczar, a former minister of the interior believed to have engineered an anti-Semitie campaign in 1968 — as well as Tadeusz Fiszbach, the ul-

(Continued on Page 2, Col. 7)

INSIDE

Algerian Arms

Algeria has given Nicaragua as many as 30 Soviet-made tanks and large quantities of other arms, according to sources in Managua. The Algerian move is part of what one Latin ambassador called an "Arab offensive" in the area. Page 3.

French Policy France's new Socialist govern-

ment has approved what may be the most radical of all its proposed reforms, the decen-tralization of the national government, Page 4.

Alcohol Warning

In Washington, the surgeon general officially advises U.S. doctors that pregnant women should drink absolutely no alcohol. Page 5.

111 Die in U.S. Hotel as Walkways Collapse From Agency Dispatches
KANSAS CITY, Mo. — Dozens





Rescue workers searched through the debris of collapsed walkways for dead and injured in the lobby of a hotel in Kansas City, Mo. In the photo below, an injured man is placed on a stretcher.



this course, rather than to confront allied leaders with a harder line on An IMF report says the fight against inflation should be given top priority. Page 7.

By Leslie H. Gelb

New York Times Service

WASHINGTON — President Reagan has settled a policy dispute within the administration by deciding to ask U.S. allies to follow a

collective, cautious approach toward the Soviet Union on eco-

Well-placed administration offi-

cials say that his decision to follow

nomic matters.

East-West trade issues, settled what was described as a major struggle between Secretary of State Alexander M. Haig Jr. and Secre-tary of Defense Caspar W. Wein-

[Mr. Reagan flew to Canada on Sunday for his first major summit conference, seeking rapport with the leaders of the world's richest democracies despite differences over high interest rates and trade with the Soviet bloc. The Associat-ed Press reported that he arrived in Ottawa at midafternoon and then departed by helicopter for the Quebec town of Montebello, 40 miles away, where be and seven other leaders will meet in a 51year-old log chateau.

[Among the first events on Mr. Reagan's schedule late Sunday af-ternoon were sessions with Chancellor Helmut Schmidt of West Germany, with whom he has already conferred in Washington, and his first meeting with Presi-

dent Francois Mitterrand of France, the Socialist who was elected May 10.]

To Adopt Cautious Moscow Trade Policy

According to administration of-licials, Mr. Reagan will ask the allies to study how importing Soviet energy will affect their vulnerabili-ty and to take a fresh look at whether trade with Moscow has

moderated Soviet behavior.

These officials say he will urge that, while maintaining a cooperative economic policy toward the Soviet Union, the allies remain alert to security problems. He will also suggest, they said, that West Europeans take precautions in their prospective deal to build a simplified and deal to build a pipeline and buy natural gas from the Soviet Union but will pose no flat objections to the deal.

Some officials said that the president seemed to be leaning toward approval of a \$40-million sale of pipeline laying-equipment to the Soviet Union by the Caterpiller Tractor Co., indicating that he was not going to close trade doors with Moscow. Other officials said no decision had been made. 2 Meetings

Mr. Haig and Mr. Weinberger argued for their respective approaches to the economie question in two National Security Council meetings last week, with virtually all those present backing Mr. Haig except William J. Casey, the direc-tor of central intelligence, and Jeane J. Kirkpatrick, the chief de-legate to the United Nations.

Mr. Weinberger argued, the offi-cials related, that economic rela-tions with Moscow should be treated as an extension of the mili-

tary competiton. He urged an em-bargo on the sale of both strategic equipment and critical technology o Moscow, and contended that if Mr. Reagan used all of his personal prestige, he could press the allies

Mr. Haig's stance, as officials re-counted it, was that policy toward Moscow should not be totally confrontational, that Soviet leaders should not be squeezed so bard that their behavior became unpredietable, that the allies would not bend to Mr. Reagan's pressure and that no policy toward Moscow would be effective unless it was a common policy.

All of the president's key advisers agreed on the goal of trying to exert tighter controls on Western exports to the Soviet Union, but

the president had to choose between his two secretaries on how far to go and what was feasible. By most accounts, he essentially took Mr. Haig's view, although military officials say that their tough stance forced Mr. Haig to move toward them during the discussions. According to the officials, the president made his decision on these grounds: Since the allies are highly unlikely to curtail trade with the Soviet Union significant-

ly, pressing them would only cre-ate confrontation with the allies. If

confronted, the allies would

choose trade with Moscow over the Atlantic alliance, and the con-

sequences of such a rejection of the

U.S. position would be catastroph-Some in the administration hailed this as a sign that the White (Continued on Page 4, Col. 6)

Fakhani Street Counts Its Dead And Listens for Israeli Jets

By J. Michael Kennedy

Los Angeles Times Service

BEIRUT — Before Friday morning. Palestinians lived on Fakhani Street. Then the Israeli jets came and bombed, blasting away at the neighborhood and the refugee camps ocar the Beirut airport.

On Saturday morning, what had been apartment buildings were bombed shells. Power lines dangled from their poles, Broken glass and blocks of cement filled the street. Meo driving bulldozers carted away deoris, all the while looking for more bodies. They knew the official death count of 300 would go even higher.

And the people of Fakhani Street were listening for the sound of Israeli jets, waiting for another attack on the oeighbor-

"In this building alone, more than 100 people were killed." said Abdul Hadi, a spokesman for the Palestine Liberation Organization. No one expected the raid, certainly not the people, who lived oo Fakhani Street. The Israelis had not bombed Palestinians within Beirut since 1974, and even with the intense hattles in southern Lebanon, the

(Continued from Page 1)

diplomatic attempts to defuse the

crisis over deployment of Syrian missiles in Lebanon and concen-

trate instead on arranging a cease-fire between Israel and the Pales-

tinians, met twice Sunday with Mr.

Begin and other top Israeli diplo-

Habib Seeks Pact

In a one-hour morning session,

Mr. Habib called on both sides to

cease shooting immediately so that

an agreement to a more permanent

end to the fighting can be sought,

perhaps with Syria acting as an in-

termediary. After another meeting Sunday night, Mr. Habib said be

would consult with Mr. Begin on

Tuesday after a special meeting of

the Israeli Cabinet to consider the

crisis, Mr. Habib refused to dis-

cuss details of his talks, saying

only, "I've bad very serious

conversations with the prime min-

ister about this complex problem."

The prime minister is under-

stood to bave told Mr. Habib that

Israel did not initiate the cross-

border exchanges and is not inter-

ested in letting the conflict escalate

However, Mr. Begin reportedly

told Mr. Habib, neither is Israel

into a wider war of attrition.

matic and military officials.

city had not seemed a likely tar-

Beirut after all, was the largest city in Lebanon, the home of many Westerners, headquarters of embassies. But it was also the beadquarters of the PLO and its leader Yasser Arafat What the people of Fahkani Street did not know was that Israeli Prime Minister Menachem Begin had decided that population centers would oot be spared from air at-tack. Mr. Begin made his point

Mr. Hadi walked down the street and turned the corner. leading the way to a spot where a crane was pulling away mangled strands of steel reinforcement from one of the buildings. The steel would not give way easily and the men on the street, most of them carrying machine guns, backed away nervously after they were told concrete from above might come crashing

Mr. Hadi pointed to a building. "This building was bombed first with five or six 1,000-pound bombs." He pointed to another. This building had civilian people. Children, women and old people were killed." In all, there were six demolished buildings on the street. Mr. Hadi never

civilians to be killed by the Pales-

tinians' newly acquired sophisti-cated weapoury, including rockets, purchased from the Soviet Union

and Syria, and long-range artillery.

[In Washington, Secretary of State Alexander M. Haig Jr. made clear the Reagan administration's

hopes that the talks between Mr.

Habib and Mr. Begin will produce "some tamping down of the situa-tion" before the United States

makes a decision Tuesday whether

to release F-16 fighter-bombers

whose delivery to Israel was sus-

pended after the Israeli bombing

The administration, which had

lanned to lift the suspension last

Friday, pulled back hastily after

the Israeli attacks on Beirut. Mr.

Haig, interviewed on television,

emphasized that no "specific un-

derstandings" bave been reached

about future Israeli use of U.S.-

supplied weapons and be did noth-

ing to counter the general impres-sion in Washington that the planes will be released Tuesday whether

A senior official in the prime

minister's office said that Mr. Be-

gin and his key advisers held out

little hope for a negotiated end to

the war of attrition, and that there

willing to stand by and allow its was growing pressure within the

Mr. Begin cooperates or not.)

of an Iraqi nuclear reactor June 7.

Habib, Begin Meet on Lebanon Conflict 111 Killed

finished his litany of the dead because a man with a bullborn began yelling instructions in Ar-

"Israeli fighters are in the air Mr. Hadi said, "We must leave." The people oo the street were running. The lonk of fear was intense as they jammed into doorways, looking for corners that would protect them.

Mr. Hadi ran to the first door and looked around at the crowded lobby. "This is not safe," he said. "We will go someplace else." He bolted out of the building and into the street. He crossed to the other side and ducked into a doorway just as the Israeli jets screamed over-bead. The people on the street

Mr. Hadi went down the stairs into darkness, around corners and into a room lit by a kerosene lamp. He stood there, out of breath, cigarette in hand. Others sat on the floor, backs to the wall, barely visible in the shad-

solving both the Palestinian prob-

lem and the Syrian missile crisis by launching a wider conflict against

Meanwhile, the Israeli Army's

chief of military intelligence, Maj. Gen. Yehoshua Saguy, acknowledged Sunday that a motive of Is-

rael's intensive bombing raids Fri-

day in densely populated quarters

of Beirut was to attempt to gen-

erate Lebanese civilian resentment

against the presence of Palestinian

"I would say at least they have

something to think about now,

We're trying to make people think about the consequences of this in-tensive [Palestinian] fire," Gen. Sa-

guy said in a briefing for reporters.

It was the first time that a senior

Israeli military official publicly has

said that an expected benefit of the

Beirut raids was to turn the Leba-

nese civilians there against the

presence of Palestinian guerrilla

headquarters, Previously, govern-ment spokesmen had said the pur-

pose was to disrupt the Palestine

Liberation Organization political

infrastructure, and that the various

PLO factions bad unfortunately

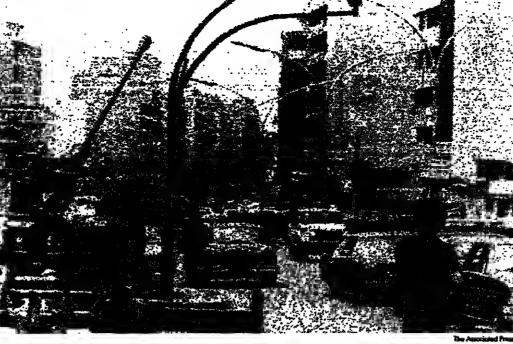
been situated in civilian popula-

Syria on Lebanese soil.

"People are leaving their apartments and living under the ground," Mr. Hadi said. "For us, the main thing is to get mis-siles and anti-aircraft guns. We demanded them from the other Arab countries, but did

prime minister's inner circle for re-

the surface.



Palestinians set up anti-aircraft positions in the streets of unbombed Beirut neighborhoods.

oot get them. We expect hard times in the next few weeks. We are trying to protect our people. In the camps, we have many un-derground shelters. We have no electricity, oo water, but we have

"We need political support and also the most important thing for us is to establish a front against the American influ-

(Continued from Page 1)

and a thin veneer of concrete on

nightmare, with huge slabs of con-

crete stretched across the lobby

floor, shattered glass and bodies pinned beneath the wreckage. Dr. Bonita J. Peterson, Jackson

County medical examiner, said

most of the victims were crushed

to death and that no individual au-

The 733-room, 40-story, \$50-million hotel, which opened one year ago, is a part of the new

Crown Center Complex. The botel

is operated by Hyatt Hotels but

owned by Crown Center Rede-

velopment Corp., a subsidiary of

Hallmark, Inc., the greeting card

company that bas its beadquarters

closed after the accident and will remain closed indefinitely, officials

The botel was evacuated and

The botel was built by the now-

skywalks could carry large

defuoct Eldridge Construction Co.

of Kansas City. Two Hyatt spokes-men they had been assured that

oumbers of people "shoulder to shoulder" without any danger.

the

topsies had beeo planned.

The scene in the botel was a

ence. There is no peace in the Middle East without recognizing the national rights of the Pales-

tinian people."

Outside, there was quiet. The Israelis had not dropped bombs and Mr. Hadi said he thought it was safe to leave, that the jets had probably been for reconoaissance - that and to instill more fear in the people.

The scene was returning to normal, or what passed for normal, as a small group of people walked away from Fakhani Street. Vendors reopened their stalls and cars ventured into the main street. And then the jets came again. The people in the street ran for cover. They were screaming and there was fear in

sion and unity" during the crisis, and noted that "the party trusts

Most of the premier's address

was devoted to the economy, which he said was still deteriorat-

ing at an alarming rate. He repeat-

that prices would have to he more

than doubled to cope with the cri-

Quoting official figures already published, he said national in-

come, the Soviet bloc version of

gross national product, would sink

by 15 percent this year. Poland's

debts with the West, already set at

more than \$26 billion, would increase by a further \$3 billion, he

increased by an average of 23 per-

cent in the first six months of 1981

some balance to the pricing sys-tem. The question of these increas-

es would be one of the first tasks

The premier said the govern-

ment planned far-reaching eco-

nomic reforms in the coming

months, including a new system of

worker's co-management in indus-try combined with more flexible

central planning. He said that the

aim was to have most of industry

working under the new system by

But he also attacked Solidarity

for allegedly trying to pre-empt the

government plans and push through its own self-management

system - a reference to the strike

planned by airline employees.

facing the new leadership, he said.

earlier government warnings

By Murrey Marder Weshington Past Service WASHINGTON — The Reagan administration is on the verge of giving emergeacy food aid to Poland, and is exploring the question of possible parallel East-West long-term support to salvage the Polish economy, according to sources in the administration and in Congress.

U.S. Reportedly Set

To Grant Credits for

The sources said Friday that both approaches to the crisis in Poland are under serious consideration. The question of emergency food credits to Poland is awaiting President Reagan's decision and will require some form of congres-sional action. The broader issue of sional action. The broader issue of possible loans or credits for Poland in the multibillion-dollar range, by contrast, is in the most preiminary stages of exploration.

Informed sources said the long-term problem in Poland might be discussed at the economic summit conference in Ottawa. Even raising the question of parallel East-West efforts at long-term aid is extraor-dinary; the Soviet Union blocked Czechoslovskia from entering the

Marshall Plan after the end of World War II. ft is improbable, several administration officials said, that the heads of government meeting in Ottawa can do much more now than underscore Western interest in the fate of Poland. "Nobody will make any commitments until we know where the Poles are going," a senior official said.

Several members of Congress said Friday that Secretary of Agri-culture John R. Block had "signed on" to a plan to authorize supplying Poland with 400,000 tons of corn in new credits under the Commodity Credit Corp. The cost of that grain, intended to provide emergency food to Poland and to prevent the collapse of its-chicken breeding industry, was previously said to be \$80 million. An administration official said Friday that a recalculation of the cost now puts

it at \$60 million. In Columbus, Ohio, Mr. Block limited himself at a press conference Friday to stating that the question of emergency corn aid for Poland "is being discussed at the highest levels of government,"

Gen, Januzelski said wages had A prime mover in the campaign to obtain new food aid for Poland. while the supply of domestic goods had dropped by 10 percent. Rep. Edward J. Derwinski, an Illinois Republican, said "the whole dministration is now on board" He said the resulting inflationfor the corn shipment. What is under way, Rep. Derwinski said, is "a ary spiral meant that price rises of around 110 percent for food and fuel would be needed to bring back

politically noncontroversial ap-proach to the Polish problem."
"I am very optimistic" that the Reagan administration will carry through the food commitment for Poland, Rep. Derwinski said. The intention to do so, he said, would support Poland's political reformers at a delicate time. Some State Department officials said they ful-

Administration officials at all levels generally declined to talk for the record on what they are discussing about possible long-term

Various ideas are being can-vassed inside the administration about possible Western efforts to help salvage the Polish economy. All of them, as one official said in private, "are based on the assumption—the expectation—that the Soviet Union will pay its share and that means at least 50 percent."

Poland's current debt to the

Food Aid to Poland West is about \$26 billion. According to an official U.S. calculation. the Soviet Union during the last year extended to Poland about \$3 billion worth of imancial and credit benefits, including debt rescheduling of which "something under \$1 billion" was in "hard currency," and the balance in "soft currency" benefits.

What some analysts within the Reagan administration are speculating is that an effort "to save Poland from health and the same poland." land from bankruptcy," would need about \$1 to \$2 billion of Western loans and credits for live or more years in addition to any support it might get from the Soviet Union and other Eastern Euro-

Kania Gets Approval of **Brezhnev**

By Dusko Doder

Weshington Past Service

MOSCOW — Soviet President
Leonid L Brezhnev guardedly endprsed the re-election of Stanislaw Kania as Poland's first secretary in a brief message Sunday that com-bined misgivings about his leader-ship with hopes for an end of tur-moil within the Polish Communist

fts curt tone and the absence of personal compliments were in marked contrast to Mr. Brezhnev's greeting to Mr. Kania last September when he was first elected party leader. At that time Mr. Brezhnev addressed Mr. Kania as "dear comrade" and praised him as a man of courage and a staunch

Sunday's congratulatory telegram was addressed to "respected Comrade Kania." It made no references to the Polish Communist Party congress or its policies nor did it contain the standard best wishes for success in building Socialism in Poland.

While short and to the point, the message nevertheless constitutes the first authoritative Soviet comment on the Polish congress. It was interpreted by Western and East European observers here as a sig-nal that at least for the time being the Kremlin has grudgingly accept-ed the changes in the Polish party.

Pravda on Sunday also made the first ambiguous reference to the secret ballot used in selecting the Polish Central Committee. It did not tell its readers that there was a choice of candidates to select from, The Soviet party's rules also call for secret ballot, but there is no choice among candidates.

The Soviet press has carried no news about the congress except when it quoted speakers whose views were similar to those held in the Kremlin. The main coverage focused on three speeches made by Viktor Grishin, the chief Soviet delegate. Their tone, however, was restrained and seemed tailored to portray events in Poland as not re-

Until four weeks ago the Soviet press described the situation in Poland in ever more threatening terms that culminated in a blunt warning letter. But since the visit to Warsaw of Soviet Foreign Min-ister Andrei A. Gromyko, the Soviet press has dropped its threats and largely ignored the Polish situ-

Politburo Is Realigned; Kania Keeps Party Post

the army.

(Continued from Page 1)

seats on the party's governing cen-

"There is no greater danger than anarchy," said the premier, an army general speaking in full uni-form and drawing heavy, rhythmic applause after his stern remarks.

We have to say it clearly... We cannot permit this. If necessary, authorities will be forced to execute the constitutional obligations to save the state from decay and the nation from catastrophe." There are boundaries which

cannot be crossed," he added. The premier did not say what specific steps would be taken to prevent strikes. But he noted that the Polish Army had "kept cohe-

Tunisia Removes Legal Ban on

TUNIS — President Habib Bourguiba has ended his Destour Socialist Party's monopoly on Tunisian politics by legalizing the

Communist Party and authorizing t to participate in the coming legislative elections, the Tunisian ews agency reported. Mr. Bourguiba met Saturday

was the first meeting between Mr. Bourguiba and a Communist lead-The Communist Party was

During the meeting last weekend. Mr. Bourguiba anthorized the

Communist Party The Associated Press

with Communist Party leader Mohammed Harmel at the president's residence in Monastir. It

banned in January, 1963, after it was accused of plotting to over-throw Mr. Bourguiba.

Communists to publish a newspaper and gave his approval for the party's candidates to run in the National Assembly elections set

Turning to food shortages, the premier said an expected bumper harvest should case supplies later in the year, but he warned that meat would remain scarce.

Kidnapped Alfa Official Reportedly Resigns

WORLD NEWS BRIEFS

MILAN - Kidnapped Alfa-Romeo executive Renzo Sandrucci has quit his job, according to a letter purported to have been written from the Red Brigades "peoples' prison" where he is being held, police sources

A letter of resignation, addressed to Alfa-Romeo Chairman Ettore Massacesi, was among a bundle of documents left by the guerrillas near the Fiat car works in Turin, the sources said.

Mr. Sandrucci, the senior production manager of Milan-based Alfa-Romeo, was kidnapped in Milan on June 3. The sources said his resigna-tion letter contained remarks about the relationship between Alfa's man-agement and workers' representatives.

Dacko Dissolves 2 Rival Political Parties The Associated Press

BANGUI, Central African Republic — President David Dacko, calling his opposition intolerable, has dissolved two rival political parties, suspended a third and arrested a oumber of leaders.

Mr. Dacko, who has headed the government since the overthrow of Emperor Jean Bedel Bokassa, also on Saturday announced the creation of a special court and the opening of a judicial inquiry against some opponents for inciting disobedience and revolt, attacks against the security of the state, murder and attempted murder.

The crackdown comes after the bombing of a movie theater in Bangui Tuesday in which three were killed and 32 injured, 18 seriously.

5 More Executed in Iran on Political Charges United Press International

ANKARA - Iranian firing squads executed four men and a woman for armed revolt, the Iranian news agency reported Sunday, bringing to 219 the oumber of persons put to death for political offenses since Abolhassan Bani-Sadr was dismissed from the presidency a month ago.

The condemned included members of the Mujahaddin Khalq leftists guerrilla group, which Iranian authorities have blamed for the bomb

attack that killed at least 74 officials of the Islamic regime.

But in surprisingly lenient sentences, Tehran Radio said an Islamic court in Islama sentenced 16 members of the Mujahaddin Khalq guerrilla group to prison terms of three months to three years after being coovicted of activities against the Islamic republic, illegal demonstrations, selling and distributing illegal publications and creating distur-

U.S. Is Firm on Missile Upgrading, Aide Says

Reuses

BONN — NATO's decision to modernize its European nuclear force is not oegotiable in arms talks with the Soviet Union, Washington's chief disarmament official said in an interview published Sunday.

Eugene Rostow, director of the U.S. Arms Control and Disarmament
Agency, told the West German oews magazine Der Spiegel that the U.S.
aim was to achieve stability in East-West arms to reach a position where

the minimum of danger existed of a Soviet attack on Western Europe.

He replied "no" when asked if NATO's decision to respond to the
Soviet Union's new SS-20 nuclear missiles by stationing 572 Pershing-2 and Cruise missiles in Europe was negotiable. "This is an obligation, a decision reached by NATO," he said. "It would be the end of everything if NATO made decisions and then discovered that the Soviet Union possessed a veto against them."

Poland: Secret Ballots, **But a One-Party State**

(Continued from Page 1)

traliberal Gdansk party secretary who is closely tied with the Soli-darity trade union. Even the country's aged, ceremonial president, flearyk Jablonski, failed to get the requisite 955 votes. By contrast, the strong showing of Mr. Kama (1,335 votes) and the even stronger one of his premier, Gen. Wojciech Jaruzelski (1,615 votes), seemed to assure the party leader's re-elec-

But for all the surprises, parallels between the congress and Western conventions were misading. Poland is not a multiparty democracy, it is a one-party state. On view in Warsaw last week was not a competition between politi-cal philosophics in an organized structure, but a power struggle within the single party, brought about by that party's decline as a result of national crisis.

result of national crisis.

In its distress, the Polish party has violated the main tenet of Lenmism and fallen prey to factionalism. There has always been factionalism in Eastern Europe—it is impossible for leaders to always agree on what should be done—but until noss the strender on but until now, the struggles oc-curred at the top and were careful-ly hidden until they were resolved through compromise or purges.

Different Tendencies'

In Poland, however, the struggles are being fought relatively openly and at all levels. The crisis has penetrated so deep that the party is being pulled in different directions. Each "tendency," as the official euphensism has it, has its own constituency at the bottom and its own identifiable champion at the too. at the top.

Factionalism has been tolerated

from the beginning by Mr. Kania under the guise of collegial rule. He was not, he said in his accept-

liners. The behavior was explained in a Western political mode: He was giving out political IOUs to control blocs of votes at the con-

So confident was Mr. Kania of so confident was Mr. Kama of election on opening day that he prepared a list of nominees to the new Polithuro. A triumph of political balancing, all sides were given equal weight, on the assumption that the center because it is the center, would prevail.

At first, the strategy seemed to have backfired. Mr. Grabski and have backfired. Mr. Grabski and other hard-liners, holding to the more orthodox doctrine that a divided leadership cannot rule, launched an open power struggle. They used issues with appeal to the strong reformist mood of the delegates, 90 percent of whom were attending their first congress. Mr. Kania's election was put off, largely because the delegates did not want to be railroaded, and for 48 hours he appeared to be fighting for his political life.

In the end, Mr. Kania prevailed. After secret-ballot voting for the Central Committee produced a stunning victory for moderates, other contenders for party first secretary dropped away. Only a moderate closety associated with Mr. Kania, Kazimierz Barcikowski, was put forward in what seemed to be a token candidacy.

The vote for the Central Committee appeared to be an act of vengeance — Mr. Kania and Gen. Jaruzelski were the only survivors from the Politburo of the discredited former leader. Edward Gierek. But the political implications of the housecleaning were unclear. So many new faces entered the committee that its political leanings will not be known for some time.

All the incredible events of the

from the beginning by Mr. Kania under the guise of collegial rule. He was not, he said in his acceptance speech as party leader almost a year ago, striving to be a leader. By implication, he wanted to be a moderator, searching for the road between contending forces.

At provincial party conferences to select delegates to the congress, he even intervened to resche hard-

Reach out and touch someone

VHEN YOU TELL'EM BACK HOME HOW YOU "REINED" THE IRELAND, SAVE SOME IRIS POUNDS ON THE CALL

feel like a queen. They put you up in one of their ancient castles. Invite you to lavish medieval banquets at night. And show you the most beautiful countryside in the world by day-in a jaunting cart, no less (with you holding the reins). But before you share it all with the folks back home,

check out these pound-saving tips. SAVE ON SURCHARGES Many hotels outside the U.S. charge exorbitant surcharge fees on international calls. And sometimes the fees are greater than the cost of the call itself. But if your hotel has TELEPLAN, the way to keep hotel

surcharges reasonable, go ahead and call. No Teleplan? Read on! There are other ways to save.

SAVE WITH A SHORTIE

In most countries there's no threeminute minimum on self-dialed calls. So if your hotel offers International Dialing from your room, place a short call home and have them call you back. The surcharge on short calls is low. And you pay for the callback from the States with dollars, not local currency, when you get your next home or office phone bill.

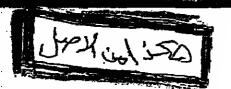
SAYE THESE OTHER WAYS Telephone Company credit card and collect calls may be placed in many

countries. And where they are, the hotel surcharges on such calls are usually low. Or, you can avoid surcharges altogether by calling from the post office or from other

telephone centers. SAVE HIGHTS & WEEKENDS Always check to see whether the country you're in has lower rates at night and on weekends. Usually the savings are considerable.

You'll save a lot of green when you follow these tips. And a lot of gas when you travel by jaunting cart.

(A) Bell System



Algeria Reportedly Gives Nicaragua Tanks

Washington Post Service
MANAGUA --- Algeria has giv-

en Nicaragua as many as 30 Soviet-made tanks and large quantities of other arms, according to Sandinista government and Third World diplomatic sources here.

The Algerian-backed military hard-large is part of whether and large.

buildup is part of what one Latin amb ssador called an "Arab offen-sive" that has inserted a new ele-ment into the economic, military and political life of an area where outside influences have been, until now, largely restricted to regional neighbors, the two superpowers and their proxies.

Iraq is considering a major aid program in Nicaragua, although no concrete agreement has been reached. Sandinista officials said. Libya has deposited \$100 million in Nicaragua's central bank to shore up the faltering economy and may invest hundreds of mil-lions more in agricultural projects, according to Nicaragian govern-

ment sources.

The Pelestine Liberation Organization, which now less a resident ambassador in Managua, was instrumental in introducing the Sandinistas to the Arab revolutionary states as a source of witally needed aid, according to Moises Hassan, a a heat wave Friday.

On the eve of their second anniversary in power, the Sandinistas find themselves burdened with serious economic problems, fearful of military challenges from across neighboring borders and, accord-ing to sources here, troubled by disagreements within their collegiate government over the path their revolution should take. With U.S. aid cot off and only

with U.S. and cot on and only meager financial help from the So-viet Union, which was originally believed to have supplied the tanks that reportedly came from Algeria, the Sandinistas have turned to the revolutionary Arab regimes to supply support that may belp them rive without aligning with cither of the superpowers.

The Sandinistas' warm relations with Cuba — especially the close identification of the most powerful

32 Drown in S. Korea The Associated Press

SEOUL — Police reported Saturday that 32 persons, including 11 children, drowned on Constitution Day, a national holiday, when bundreds of thousands of Koreans crowded beaches and rivers to beat

former Nicaraguan junta member and the current construction min-ship. Daniel and Humberto Orte-ister. — is viewed in Washington as a growing link to Moscow because of Cuba's economic dependence on the Rus-

> But the Sandinistas, some Arnb diplomats, and reportedly Mr. Castro see the relationship quite differently. Although the Sandinista leadership generally has a So-cialist and Marxist orientation, a large segment recognizes the dangers of close Soviet ties.

> A Third World diplomat familiar with both Cuba and Nicaragua recently speculated privately that "Fidel is watching very closely to see what happens with Nicaragua and the Arabs. He cannot be hap-py about his dependence on the Soviets and he cannot turn to the United States. But if the Arabs do it for Nicaragua then I have no doubt he would seek the same way out for himself."

> For the moment, the Castro regime is receiving an estimated \$10 million a day from the Soviet Un-ion. An Arab diplomat described the relationship with a Moroccan proverb: "The hand you can't bite, you kiss." But Nicaragua thus far has received very little direct Sovi-

"There is a common interest among us," Mr. Hassan said Fri-day. "We all know how fragile we are, how fragile is our independence. Libya, Algeria, Nicaragua, the Palestinians have known what it is to be the subjects of foreign powers or their representatives. "I think this is probably difficult

Moscow amounts to only \$50 million, according to diplomatic

Foreign economie analysts esti-

mate that Nicaragua will need as much as \$400 million next year,

above and beyond the current aid

it is receiving just to keep the

economy at its present subsistence

Other nations have continued to support the Nicaraguan regime. Mexico, for example, has in effect

contributed \$150 million to the

economy this year through concessional oil deals, according to foreign analysts. But the Arabs have the most money to spare and the advantage of what the Nicarguans like to call "revolutionary solidarity."

Moises Hassan, who declined to

comment on the specific arrange-ments between Nicaragua and the

can nation thousands of miles

level of activity.

for a country like the United States to understand because it has never suffered very much," he said. "It must be difficult for a normal American to comprehend bow a country feels that for many years

has seen itself as a subject.

"We know that we are a weak country economically and militarily," he said. "Independence is not yet completely achieved. We know that the major accurate don't now that the major powers don't want to recognize that we are free."

The Reagan administration repeatedly has argued that Libya is a front for Soviet support of interna-tional terrorism, a charge that the Libyan leader, Moamer Qadhafi, denies. In any case, the argument does not seem to concern the Ni-

On June 20, the Sandinista leadership held a public celebration in Managua to mark the 11th anniversary of Col. Qadhafi's ouster of U.S. air bases from Libyan territo-

Hubei Sichuan CHINA Hong Kong

revolutionary Arab states, did atempt to explain their motivation The crest of Yangtze River flood reached Shasi on Sunday. in helping a small Central Ameri-

China Reports No Damage To Dam by Yangtze Flood

PEKING — The crest of the Yangtze river's highest flood in more than 80 years passed China's largest dam project Sunday without any reported damage, after leaving from 3,000 to 4,000 per-sons dead in Sicbuan provice.

Officials in Sichuan, where massive downpours set off the flooding, concentrated on feeding, housing and clothing 500,000 homeless. They said that rain fell again Saturday on China's most populous province of 100 million persons,

but no new damage resulted. An official at the Gezhouba dam in central China's Hubei province, reached by telephone from Peking, said the crest passed the dam before dawn Sunday. The water level rose to 61.62 meters (202 feet) above sea level, but had dropped to 61.20 meters by the af-

ternoon, he said. The Chinese news agency said that after the dam "passed its test," the crest reached the city of Shasi on Sunday afternoon. The agency said nearly 200,000 soldiers and people have been mobilized to guard the dikes along a 182-kilom-Indications Grow That Reagan's Choice cter (113-mile) zigzag danger area of fertile rice and cotton fields.

nglish-language newspaper China Daily said.

The United Nations has sought to aid the provinces of Hubei and Hebei, where a serious drought has

finally ended after heavy rains. The Chinese news agency said the flow of 72,000 cubic meters a second at the dam site at the flood crest exceeded the recent high of 66,800 cubic meters in 1954 and was roughly the same as that of

The \$2-billion dam at Yichang in Hubei province is being built to generate electricity and back up the river to a depth that will make its upper reaches safer for naviga-

Cofferdams of earth reinforced by steel piles and concrete protects the section still under construction. The news agency said the cofferdams have been raised to a beight 66 meters above sea level.

Tanzanians Back Rejection of IMF The Associated Press

DAR ES SALAAM, Tanzania -An estimated 20,000 people marched through the streets of the capital in the biggest demonstra-tion yet in support of Presidcot Julius K. Nyerere's refusal to yield to demands of the International Monetary Fund.

The march on Saturday, the latest in a series, was lead by the police band. At the end of the parade route, Mr. Nyerere told a rally that Tanzania will never abandon its policy of Socialism.

The demonstrations began 10 days ago after Mr. Nyerere con-demned "ontside institutions and countries" for trying to force Tanzania to devalue its currency by 50 percent, freeze wages, remove price controls, ease import restrictions and raise bank interest rates. Dip-lomatie sources said that the president was referring to recommendations made by the IMF.

Reportedly Snagged enurety, Mr. Olson said. He also

Iran-U.S. Assets Pact

By Stuart Taylor Jr. New York Times Service

WASHINGTON - Disagreements between Iranian and U.S. negotiators meeting secretly in the Netherlands are likely to stall transfer by the United States of more than \$2 billion in once-fro-zen Iranian bank deposits and have aroused concern among American companies with elaims

The dispute includes Iran's demand that it receive the interest ac-cruing on a special \$1-billion security account designed to cover possible awards against Iran by an international tribunal arbitrating American claims, according to a Washington lawyer who has followed the negotiations closely.

Treasury officials refused to comment on the nature of the disagreements with Iran, It was not clear on Friday how far the United States was willing to go toward meeting the Iranian demands or whether Iran would undermine the elaborate arbitration process laid out in the bostage agreements if it did not get its way.

\$2 Billion Held

Treasury Department officials disclosed Friday afternoon that the transfer of the \$2 billion, now held in the Federal Reserve Bank in New York, would "almost definitely not occur until Monday" at the earliest because negotiations concerning the security account "have not been finalized."

They said fran bad agreed to a one-day extension of the deadline for transfer of the funds, which former President Jimmy Carter had promised to complete by Sun-

One official, who declined to be named, said be hoped agreement on the details of the \$1-billion security account could be completed and the \$2 billion transferred by Monday.

But John F. Olson, a Washington lawyer for several claimants, said be was "concerned that the negotiations may be stalled be-cause the Iranians are insisting on several points that will create real problems for the United States and American claimants."

He said the United States should be in "no burry" to transfer the funds and that it would be a "great mistake" to agree to Iran's

Additional Security

Mr. Olson said that Iran had insisted that it receive the interest on the security account, which could exceed \$150 million a year and which American claimants want to be left in the account as additional security for awards.

Iran has also demanded that the \$1-billion account be reduced by the amount of any payments made in settlement of American claims,

said there was apparently a disa-greement about who would pay the

costs of administering the account. The Dutch central bank would hold the \$1-billion account, with the Algerian central bank acting as agent, under a tentative July 10 agreement between the United States and the Netherlands.

in a related development, the Iranian defense minister has recently sent a telex to American contractors that his ministry was prepared to begin negotiating their claims. Lawyers representing some claimants reacted with skepticism

"It looks like they're trying to create a facade of good faith until they get their money back," one

The \$2 billion now awaiting transfer from the Federal Reserve represents commercial Iranian bank deposits in the United States that were frozen by Mr. Carter in November, 1979, along with about SS billion in official Iranian deposits in the Federal Reserve and American bank branches in Europe and \$1 billion to \$2 billion in other Iranian assets.

Hostge Deposits

The Jan. 19 hostage agreements provided that the commercial deposits in the United States would be collected and transferred out of the country within six months. About \$1 billion was to be held in the security account and the rest was to be returned to Iran. The Official deposits were also to be re-

The agreements oblige Iran to replenish the security account as awards are paid, to the extent necessary to keep the minimum bal-ance at \$500 million. But they do not say how the interest on the account is to be disposed of or wbether the account can be used to pay settlements as well as arbitration awards.

Lawyers for American companies estimate the total amount of the claims against Iran at \$2 bil-lion to \$4 billion and say they do not trust Iran to replenish the security account or settle claims on a reasonable basis, and want the interest to remain in the security account as a "small measure of pro-

34 Drown in Thailand The Associated Press BANGKOK — Thirty-four per-

sons on their way to a religious ceremony drowned Friday when their bus ran off a road and plunged into a reservoir in northeastern Thailand, authorities

Reagan's Efforts to Revitalize the CIA Complicated by the Casey-Hugel Probe

By Judith Miller WASHINGTON - Resignation of the CIA's chief of clandestine operations and a Senate commit-tee's review of Director William J. Casey's financial transactions threaten to set back the Reagan administration's effort to restore the morale and effectiveness of the

Senate Republicans and Democrats agreed Saturday that it is unlikely Mr. Casey will be asked to resign unless the Senate Select Committee on Intelligence should develop additional damaging in-

Administration officials, however, expressed concern over whether the developments, including the resignation of Max C. Hugel, director of CIA covert operations, might undermine the confidence of foreign governments in the compe-tence and professionalism of the

The Senate panel Friday ordered its staff to review allegations of financial impropriety against Mr. Casey, Chairman Barry M. Goldwater, an Arizona Republican, said after a closed committee meeting that the inquiry would focus on Mr. Casey's financial dealings, specifically on what he called "the Louisiana transactions." A court ruling said Mr. Ca-sey helped to drive Multiponics, an agribusiness firm that went bankrupt in 1971, "deeper and deeper into debt," and another ruling said

he knowingly misled investors. Other committee members said the review also would focus on security procedures at the CIA, and on the relationship between Mr. Casey and Mr. Hugel, a Reagan campaign official with little experience in intelligence who resigned Tuesday in the aftermath of allegations printed in The Washington Post that he had participated in fraudulent securities transactions in the 1970s. He has denied the

Administration and congressional officials cite these possible effects of the episode:

• The Reagan administration's effort to win support for greater flexibility for the agency, its exemption from reporting and disclosure policies and greater protection for its officials could be com-

· Ouestions are likely to be raised about Mr. Casey's judgment on issues both of personnel and substance, and about what one intelligence official called his overly

> By Philip Shabecoff New York Times Service

romantic view of the agency and have faith in the oversight system nostalgia for a bygone era. Tensions are likely to rise between the Senate committee and the agency over evaluations of the quality of CIA analyses and the

timeliness of agency reporting.

At his confirmation hearings. Mr. Casey asked Congress to remove restraints, increase funding and help him reverse what be has called the agency's institutional self-doubt, Adm. Bobby R. Inman, the deputy director, expressed concera Friday at a closed committee hearing that the present controversy might delay action on such issues as granting the agency an ex-

emption from the Freedom of Information Act.

It is essential. Adm, Inman authorized committee officials to say, that the senators trust the CIA and

New York Times Service

WASHINGTON -- Last St. Patrick's Day, President Reagan

dropped in at the Irish Embassy

and delighted everyone by an-

nouncing his intention to appoint

William E. McCann, whom he had

brought along, as the next ambas-

The delight came from the

choice of the day as well as the fact

that an Irish-American had been

selected. But four months later, the

White House has still not formally

tors to organized crime figures.

20-Year Jail Term

On Dec. 15, Mr. Ostrer was sen-

tenced in a Manhattan court to 20

years in jail after being convicted

of failing to pay taxes on \$6.8 million in income. The prosecutor

charged that Mr. Ostrer had made

the untaxed income in insurance

fees and commissions, some of

sador to Ireland.

so the House and Senate intelligence committees can act as surrogates for the public.

Few of the officials interviewed believed that Mr. Casey's job bad been jeopardized by the civil rulings. One former intelligence offi-cial, however, reported that some in the intelligence community had turned against Mr. Casey, just as they had against Mr. Hugel, and now wanted Mr. Casey removed as

In addition, Mr. Casey's status is complicated by the committee's overwhelming support for Adm. Inman, the deputy whom Sen. Goldwater almost insisted that Mr. Casey hire. Adm. Inman, former director of the National Security Agency, would be a popular

U.S. intelligence community. Intelligence community. Intelligence officials expressed concern that the Hugel-Casey affair would insettle the CIA, which has been trying to return to stability after a decade of crisis and turmoil.

By Irvin Molotsky New York Times Service

The Control of the Line of the Line of the Life Insur- that an official of Foundation Life Insurance had told the subcommit- to the Line of th with the Foundation Life Insurance Co. in Chatham, N.J., of which Mr. McCann is the presi-A congressional study said the

interview. "There was not anything

submitted the nomination to the Senate Foreign Relations Commitimistration has said it has not changed its intentions, there are signs the nomination may be in trouble. One of the causes of the besitation appears to be the disclosure that Mr. McCann's insurance company had many business dealings with Louis C. Ostrer, a convicted stock swindler who has been linked by congressional investiga-

The investigators said Mr. Ostrer had devised a type of insurance coverage paid for in union-maning the business dealings of Mr. McCann's company with Mr. Ostragement agreements that led to commissions and fees of 75 to 90

No Diplomatic Experience

national Association of Bridge, Structural and Ornamental Iron Workers in Miami.

Of the \$315,661 in premiums, the investigation found, \$312,280 was turned over to Modern Agenbased insurance agency wholly owned by Mrs. Dina Gelman,

United Press In LIMA - Peru's civilian government, about to mark its first anniversary in office, has announced

faced with a \$1-billion decifit and rapidly declining prices of major exports, especially silver and other minerals. The nation's monetary reserves have decreased by \$300

ing the next year."It's a very tough move," Mr. Ulloa said. He has Jan Beyea, scientist for the Na- to foreign buyers and investors, tors to begin trimming are

Insurance had told the subcommit-tee's investigators that Mr. Ostrer owned 100,000 shares of the company's 3.5 million outstanding shares. This was disputed by Mr. McCann, who said, "Ostrer was never associated with Foundation

Mr. McCann said Mr. Ostrer had acted as a consultant to the union plan and to the Modern Agency. Mr. McCann also chalot wish to answer questions.

In Dublin, meanwhile, Irish govmittee's finding that the insurance ernment officials have expressed doubts about having Mr. McCann was no unusual commission paid," he said. "It is set and established."

This was the case, Mr. McCann said, because the insurance policies sold were so-called whole life instead of term policies. While premtums are higher on whole life, that kind of policy has the advantage of accumulating value while the term policy does not. Members of the subcommittee,

including Sen. Charles H. Percy, a Republican from Illinois., have disagreed with that assessment. At the time of the hearing, Scn. Percy said: "Literally what this Ostrer plan does is blatantly strip a group of the privilege of being a group entitled to low insurance rates." Sen. Percy is chairman of the

Foreign Relations Committee and will play a major role in deciding on Mr. McCann's nomination. An aide said Sen. Percy would not comment until the nomination was formally submitted.

Portuguese Bill To Denationalize Vetoed by Panel

LISBON - The military council empowered to watch over national affairs in Portugal has vetoed a parliamentary bill aimed at hand-ing buge nationalized sectors back to private coterprise.

The veto on Saturday by the nonelected Council of the Revolution provoked immediate expressions of anger from supporters of the center-right government, which had contended that the measure was essential for the country's economic revival.

The watchdog body, chaired by President Antonio Ramalho Eanes, said the proposal to allow the return of privately owned banks and insurance companies was unconstitutional.

A council statement said the bill would have enabled private businessmen to recreate the type of economic system that supported the rightist dictatorship over-thrown by the armed forces in the

Portuguese banks and insurance companies were nationalized in 1975 along with key beavy industries in a move that broke what then was the grip of a handful of business groups on most of the economy.

2 Die in Canadian Crash United Press International

GOOSE BAY, Newfoundland -A West German pilot and his navigator were killed Saturday when their F-4 Phantom aircraft crashed into a lake near the Canadian Armed Forces Goose Bay Base during a training flight. The cause of the crash has not been deter-

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فالمناه ويبين **U.S. Plan to Export Coal**

WASHINGTON — The Reagan administration will relax strip-min-ing miles, accelerate the leasing of federal lands and promote dredg-ing of harbors and rivers as part of a program to stimulate exports of coal, Commerce Secretary Malcolm Baldrige Jr. has announced.
Mr. Baldrige said Friday that
the policy is aimed at removing government impediments to coal exports in order to stimulate the domestic economy while "helping the nation's trading partners lessen

> tions have slowed coal exporting in the past. "We intend to speed up that process," Mr. Baldrige said. "There will still be environmental protection, but we have to shorten the process by which coal mming and transportation is approved." Meanwhile, Energy Secretary James B. Edwards presented a na-tional energy plan Friday that re-iterates the administration's commitment to domestic oil and coal development, nuclear power and free-market forces. The report projects strong growth in energy consumption and leaves conservation and the development of renewable energy sources such as solar power mostly to the market.

their dependence on oil supplies."

He said environmental regula-

"The overriding concern of the federal government," Mr. Edwards said, "is to establish sound policies that will encourage the private and public sectors to produce and use energy resources wisely and effi-

tional Audubou Society, said the she said.

Includes Ecology Detours policy looked as if it had been pre-pared by an oil company and if carried out, "We can expect unnec-essary raids on federal lands and an unnecessary weakening of the Clean Air Act."

The Commerce Department's new coal policy is intended not to subsidize coal exports but to expedite them, Mr. Baldrige said. A major goal of the program is to convince foreign buyers that the United States will be a stable and reliable supplier. Among other things the United States would promote coal experts, provide foreign the coal experts are stated and coal exp eign investment assistance and en-

courage private financing. The administration is also supporting a fee on port users to imance dredging of channels that could be used for deep-draft vessels hanling coal and other bulk cargo. In the past the government has paid for such dredging, but Mr. Baldrige said the federal process dragged out the procedure. A shortage of deep-draft ports has

hindered coal exports. Carl Bagge, president of the Na-tional Coal Association, an industry group, said of the coal program: "We love it... The real importance of the statement is that it provides a clear signal of the importance of coal exports."

But Louise C. Dunlap, executive vice president of the Environmental Policy Center, called the coal policy "unfortunate and unneces-sary." Increased environmental problems would promote increased controversy that would make American coal less attractive and the directors of all public sec-

commissions made by Mr. Ostrer were "unconscionable." Some of these commissions were on insurance premiums paid to Mr. McCann's company.

Mr. McCann said in a telephone

improper." Mr. Ostrer, in the federal prison in Danbury, Conn., did not wish to answer questions. as ambassador. A leading political figure said: "Obviously, if all those

allegations are true, well then, it's not a suitable appointment. But our inclination is to wait and see what action is taken on the nomi-nation in Washington. We have a good deal of confidence in the American government's confirma-

The Irish have been made aware of the matter through articles in The Irish Times, which has reprint-ed a series of articles from The Star-Ledger of Newark, N.J., list-

Mr. McCann has no diplomatie experience, but that is not unusual for the Dublin post, which is one of those that ordinarily go to a po-litical appointee rather than a career Foreign Service officer. His link to the administration was as a fund-raiser for the Reagan cam-

According to an investigation by the Senate Government Affairs Permanent Subcommittee on Investigations, premiums totaling \$315,661 were paid from Nov. 1, 1972, to Sept. 30, 1973, to Founda-tion Life Insurance on behalf of members of Local 272 of the Inter-national Association of Bridge

cy, an insurance company, as a commission. Modern Agency was described as a New York City-

Another reported finding was *Peru Announces* Austerity Plan

the beginning of a "severe" austerity program.

President Fernando Belaunde Terry, who took office last July 28, ending 12 years of military rule, is

million this year, officials said.

Manuel Ulloa, minister of economy and finance, announced Saturday an effort at reducing public spending to save \$100 million durasked all government ministers

Disagreement

By-Election Marks Emergence Of New-Style Party in Britain

By R.W. Apple Jr.

New York Times Service

LONDON — The Social Democratic Party, barely four months old, came within an ace Thursday night of winning a by-election in a constituency where the Labor Party has reigned since World War II.

After years of speculation about a realignment of British politics, some politicians now say it might lie just ahead.
The election in Warrington

seems to bave marked the emergence of a new-style party, commanding broad support without a class or geographical base, dependent upon neither the trade uninns nor the landed gentry, positioned squarely in the center and capable of damping the wild oscillations from left to right that bave marked

Roy Jenkins, a former minister in Labor governments, astounded himself and everyone else by taking 42 percent of the vote at Warr-

Most political commentators had agreed before the voting that because of its working-class character, Warrington would under-state the Social Democrats'

NEWS ANALYSIS

A surge in the Social Democrats'

alliance will be favored in the by-

the London docklands somewhat

'No Arid Theorist'

say that the nnly thing he is capa-ble of fighting far is a table in a good restaurant," commented The

Daily Mail, normally a supporter of Prime Minister Margaret Thatcher, "He showed that he was

no arid theorist but a warm-blood-

ed idealist who cared enough

about his new party to take a huge

Labor had expected Mr. Jenkins

to do relatively well, but its candi-date, Douglas Hoyle, bad predict-ed that most of the Social Demo-

crat's votes would come from dis-

gruntled Conservatives. That did

not prove to be the case. Thou-

sands of Labor voters crossed over

to support Mr. Jenkins, with Mr.

Hoyle able to poil only 48.4 per-cent compared to the 61.7 percent

amassed by Sir Thomas Williams,

the retiring MP, in the general election of 1979.

against the backdrop of record un-employment, approaching 3 mil-lion, the Labor Party, as the offi-cial opposition, would have ex-pected to gain votes. Its failure even to hold its own was interpret-

ed by political commentators as a

sign of grave weakness.

Mr. Hoyle's left-wing views ap-

parently cost him many votes, as

did Mr. Jenkins' personal popular-ity and campaign skills and the factional disarray that has plagued

The next general election ap-

pears to be at least 27 months

away. The outlook for the Social

Democrats could change for the

worse if the Labor Party swung

back to the center and Mrs. Thatcher was able to improve the

performance of the economy. The new party also faces difficult nego-

tiations to produce a detailed agreement with the Liberals, the

traditional third force in British

in a by-election for a city council

scat in the Labor bastion of New-

castle upon Tyne, in the North-

east. Their candidate defeated the

Labor nominee by just one vote.

Canada Postal Strike

Enters Fourth Week

OTTAWA — A strike by postal workers enters its fourth week

Monday with some businessmen

claiming losses of up to 10 million
Canadian dollars (\$8.3 million) a
day as a direct result of the strike.
The Canadian Union of Postal

Workers, without a contract since

Dec. 31, struck June 29 to press

demands, including a 17-week paid

maternity leave and improved

health and safety conditions. The

government has rejected the de-

mands, saying such a settlement would result in a 28-percent wage

increase. The two sides are contin-

uing negotiations through a media-

United Press Intern

Labor.

Normally in a by-election beld

"Never again will they be able to

the coming months.

strength in the average English constituency by about 5 percent. By that reckoning, the new party and its Liberal allies would poll 47 percent of the vote and gain 500 seats, an overwhelming majority of the 635-seat House of Commons,

Fickle Indicators

That seems highly improbable, and by-elections are natoriously fickle indicators. But politicians of all parties agreed that Warrington had established the Social Democrats as a major political force.

"The result means that, at a minimum, we will hold the balance of power in the next Parliament,

U.K. Anti-Riot Response Assailed by Labor Aide

DORCHESTER, England — in Belfast, Detroit, Chicago, Ber-Ron Hayward, the general secre- lin, Amsterdam or Japan, where tary of the opposition Labor Party, Sunday condemned the govern-ment for responding to 12 nights of street violence in British cities by promising tough new anti-riot

equipment.
"We do not believe that the use of water cannon, CS gas or rubber bullets will help the police in help us," he told a trade union rally in the village of Tolpuddle near this

Albanian Exiles Deny Shootings

BRUSSELS - Exiled Albanian nationalists seeking autonomy for the Yugoslav province of Kosovo have denied responsibility for a gun attack on Yugoslav diplomats here.

Ydriz Basha i Novosejk, secretary-general of the Union of Albanian Nationalists, told a press conference Friday that the group had renounced vinlent action in its fight to win more self-rule for the southern Yugoslav region. A Yugoslav diplomat and an embassy employee were wounded in last Tuesday's shooting.

Kosovo Leader Resigns

BELGRADE (AP) - Dzavid Nimani, president of Kosovo province where at least nine persons died in riots earlier this year, has resigned, the Yngoslav news agen-cy Tanjug reported Friday. No reason was given for the action.

HEWS FROM MIFED

MIFED - International Film, TV Film and Documentary Market — has just automiced that its 44th Session will take place from October 19 to 30. cheduled as follows: MIFED INDIAN SUMMER (October 19-25); MIFED EAST-WEST FILM MARKET (Octo-ber 25-30); MIFED TRADITIONAL

MIFED - which is recognized by the trade as the most important rendeztives - next October will be attended not only by foreign buyers and by RAI-TV buyers, responsible for the three channels of the Italian State Tolevision, but also by the many buyers of the ma jor Italian private stations.

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rioting is, or has been, a way of life," he said. The Conservative government of Prime Minister Margaret Thatcher nffered police CS gas, water can-non and plastic bullets after the rioting, which Labor has blamed on high youth unemployment and deprivation in Britain's inner cit-

Last Resort

Hundreds of policemen were hurt in the riots and more than 2,000 persons were arrested but police chiefs have said they will only use the new equipment as a last resort.

Sunday's statement came after an accusation from the Labor Party's left wing on Saturday that British police may become "armies of occupation," enforcing govern-ment policies responsible for high unemployment and social unrest.

Tony Benn, a possible future party leader, charged that the government was using the riots as an excuse to impose police control. "If the Cabinet adopts such repressive policies, it would mean

Special detachments were on standby as a precaution in some of the cities where youths have rioted during the last two weeks, police

Party deplored violence but he added: "It is dangerous, deluding line police response, backed by stiff court sentences, will solve the ms that are causin

day finished taking statements from black residents in Brixton. The residents have accused the police of causing extensive damage last Wednesday during a raid on shops and houses in search of gas-

The police inquiry into the raid, which was criticized by politicians and the press, was ordered by Home Secretary William Whi-

using the police, possibly backed up by troops and new legislation for openly partisan political pur-poses," Mr. Benn said. No Rioting Reported Scotland Yard, meanwhile, reported no new rinting or urban violence during the weekend. .

Mr. Hayward said the Labor

nonsense to suggest that a hardies to erupt" A police investigating team Sun-

oline bombs and looted goods.

Manday the team, led by Geoffrey Dear, London's deputy assist-ant police commissioner, will start interviewing officers who took part

ders of the new party along with Mr. Jenkins. "And it is certainly quite possible that we shall form the next government." membership is expected, as are more defections by right-wing La-bor and left-wing Tory members of Parliament. The Social Democrats have only 15 representatives in the House of Commons. The Social Democratic-Liberal election in the London suburb of Croydon in the fall, in the by-election expected at Bermondsey in later and in most other contests in When the vacancy at Warring-ton occurred, political profession-als said it might prove a disaster for the new party, and the party's leaders were not eager to run. But Mr. Jenkins, who has often been derided in recent years for his pa-trician tastes and for his presidency of the widely unpopular European Economic Community, de-cided that he must show that the Social Democrats were willing to

oy Jenkins, standard-bearer for Britain's Social Democrats in their first election sally, was pensive as he heard the results of last week's by-election in Warrington, which he narrowly lost.

AFL-CIO to Stage March Over Cuts in U.S. Budget

By Harry Bernstein

Los Angeles Times Service WASHINGTON - Breaking with tradition, the AFL-CIO is planning a massive street demonstration in Washington to protest cuts in the federal budget, union leaders have said.

The labor federation has called on its members to take to the streets Sept. 19 tn show their displeasure with the Reagan administration's domestic policies, which some union leaders have characterized as "turning back the clock on 50 years of social progress."

The planned march, which AFL-CIO officials hope will attract tens of thousands of pratesters from hundreds of unions and other groups, is a major departure from the organization's policy of avoiding large street demonstra-tions. When civil rights groups, composed mostly of blacks, spon-sored a march on Washington in 1963, the labor federation refused to join in.

George Meany, former presi-dent of the AFL-CIO, believed that mass marches, such as the 1963 march that drew more than 200,000 protesters, were too radi-cal and, thus, ineffective. And because Mr. Meany supported the war in Vietnam, the AFL-CIO scorned mass protests against it. But his successor, Lane T. Kirk-

Tibor Udvardy, Operatic Tenor, Dies in Budapest

The Associated Press In another test of their appeal, the Social Democrats achieved an 67, a Hungarian tenor whose intereven more striking result Thursday national opera engagements cow, died Friday.

> After studies in Budapest's Ferenc Liszt Academy of Music, Mr. Udvardy made his dehut at the Budapest Opera in 1939. His range extended from lyrical to beroic tennr roles.

Fernando Berckemeyer

LIMA (WP) - Fernando Berckemeyer, 76, the ambassador of Peru to the United States from 1949 tn 1963 and from 1968 to 1975, died Friday. He had a respiratory ailment. Mr. Berckemeyer also was minister to Sweden from 1946 to 1948 and amhassador to Britain from 1947 to 1948.

Jose Maria Peman Pemartin

CADIZ, Spain (Reuters) — José Maria Peman Pemartin, 84, the poet, novelist and playwright, died Sunday, his family said. He produced 15 books of poetry, 26 nnvels or collections of essays and more than 60 plays.

land, said that the AFL-CIO is sponsoring the Sept. 19 rally, called Solidarity Day, in cooperatinn with nearly 180 other organ-izations, because "changing times call for changing tactics."

Relations between President Reagan and organized labor have been bitter, with Reagan aides complaining that the unions, with some exceptions, almost antoman-

cally reject all of the president's so-cial and economic programs. But Thomas Donahue, secretary-treasurer of the 13.5 millionmember federation, said that the unions oppose the Reagan programs "because they hurt every worker in America and not because we opposed his election."

No Consultations

Mnreover, Mr. Donahue said, Mr. Reagan has not consulted with union leaders, "other than the few who supported him in the election, nn either legislative issues or appointments of any kind."

Mr. Kirkland has called the leaders of all 102 unions affiliated with the AFL-CIO to an Aug. 6 meeting in Chicago to discuss plans for the Washington demonstration.

Most unions are bitterly opposed to the deep cuts the administration has asked Congress to make in such social programs as unemployment assistance, public sector jobs and food stamps.

While Mr. Reagan has said that he wants continuing discussions with organized labor, Mr. Donahue said that the only time that union leaders are able to talk to an administration official is when the union officials invite

Mistrial Declared In U.S. Nazi Case

United Press International
ASHEVILLE, N.C. — A mistrial was declared after a federal jury failed to reach a verdict in the case of six American Nazis accused of plotting a terrorist bombing attack on the city of Greensboro, N.C.

The jury reported Saturday that it was deadlocked, and U.S. District Judge Woodrow James sent the panel back for another try. But the jury again reported that it had been unable to reach a decision, and the mistrial was declared.

Judge Jones rescheduled the trial in September. The defendants were accused of conspiring from July, 1980, to Navember, 1980, to set off explosives at a petroleum storage facility, a shopping mail and several unspecified locations in downtown Greensboro.

their own budgets without advance approval from Paris — or the new Commissioners of the Republic" who will also be appointed by Paris but who will have mostly con-

French Decentralization Plan

By Frank J. Prial New York Times Service PARIS - France's new Socialist

government has approved what may be the most radical of all its proposed reforms, the decentral-ization of the national govern-ment. The measure, called "The Rights and Liberties of the Comsultative roles. munities, Departments and Re-gions," was described by Prime Minster Pierre Mauroy as "the most important affair of our seven-

year term."
"We must rid ourselves of what remains of Napoleon's 'ancien régime,' "Mr. Mauroy said recently. "The men of the châteaus are gone now," be said, referring to the defeated government of Valery Giscard d'Estaing. "We must acomplish the historic task of creating a republic of citizens."

The decentralization program, which is sure to be passed by the Assembly, calls for a transfer of power from the departmental pre-fects, appointed by the government in Paris, to regional and departmental councils.

The plan, which will take effect over three years, calls for the dismantling of a form of government that has been in effect — virtually unchallenged - for more than four centuries. Students of French government say the accretion of power by Paris has accelerated markedly since World War II.

The first step of the plan, to be implemented almost immediately, effectively ends the powers of the 21 regional and 96 departmental prefects. Their most important powers are negative. They have the right of veto over all administrative and fiscal matters voted by local envernments.

Second Step

The second step, to be accomplished within a year, will set out exactly what the powers of the bodies replacing the prefects - re-gional and departmental councils will be. The final segment of the plan will determine to what extent local authorities will be responsible for their own finances.

President Francois Mitterrand made decentralization one of the key planks in his campaign platform and even some of his opponents endorsed it. These is almost no French citizen who has not suffered intense frustration at the hands of - or from neglect by the central government. Stories of waiting 10 years to get a road approved in Angouleme, four years to get a street name changed in Nimes are routine because almost everything that is done by a government agency must pass through the appropriate ministry in Paris.

The prefects, who are ranking civil servants with good Paris con-nections, have been transferred like ambassadors from one department to another with no thought to their familiarity with local prob-lems and local politics. When, after more than a century of indiffer-ence to local feelings, former President Giscard d'Estaing appointed a Corsican as prefect of Corsica, it was considered a major breakthrough. After two years, bowever, the man was promoted to a high ministerial post in Paris.

Under the proposed law, the elected leaders of local governing bodies, along with the elected regional and departmental councils will have the right to determine

sultative roles.

At least that is what the Manroy government is saying. There are some skeptics. "In France," said Charles-Noel Hardy, a Giscardian, and prefect of the department of the Loire-et-Cher until the Socialist victory, "when one really doesn't want to change things fundamentally, one changes their name."

The regional paymasters-general - budgetary watchdogs appointed by the Ministry of Finance in Paris who, like the prefects, have had absolute powers of veto over local expenditures — are slated to have their powers diminished, too.

The proposed law has been called the Defferre law after Gaston Defferre, interior minister and veteran Socialist politician. Mr. Defferre, mayor of Marseilles for almost 40 years, has been in charge of preparing the decentralization legislation. Some observers find a certain irony in naming the legislation after him. They point out that he has ruled Marseilles with an iron hand and that neither prefects nor fiscal inspectors or even heads

of state crossed him lightly.

Two areas of France will not immediately be affected by the legislation: Corsica and Paris. Corsica because the Socialist government has yet to come to grips with that troubled island's long-standing demands for antonomous rule, and Paris because it is both a city and a department at the same time.

The laws governing Paris — and the Paris region, known as Ile-de-France — have been altered over the years to accommodate the fact that Paris is the seat of the national government and that about 20 percent of the French population lives in the Ile-de-France. These io-

Is a Radical Transfer of Power cal laws are just too complex, Mr. Defferre said, "to permit the same changes that will be effected else-

where in France." Objectors to the program range from strict constructionists who believe the constitution demands that such profound reforms be put to the voters in referendums to leaders of the conservative political minority who see France's fundamental strength emanating from its strong central government.

Accord on 39-Hour Workweek

PARIS (AP) - French labor and management took the first step Saturday toward meeting Mr. Mitterrand's goal of a 35-hour workweek by agreeing to reduce the traditional 40-hour week in 39. Final details, as they pertain to about 80 industries in the country, are to be worked out later and the plan must be confirmed by the National Assembly. But after a 16-hour final negotiating session, the two sides agreed to the first reduc-tion in work time since the 40-hour week was legalized in 1936.

The accord, reached between the unions and the French employers' association, calls for, in addition to the one-hour reduction in the workweek, a lifth week of paid vacation and a limit of 130 hours annually of overtime that does not require authorization by labor in-

Mr. Mitterrand wants to reduce the workweek gradually to 35 hours by 1985 as part of an effort

to absorb unemployment.

[Meanwhile, the National Assembly voted Friday night to abolish the controversial State Security Court set up 18 years ago to try crimes against the state such as treason and spying, Reuters re-ported. The left has said that the court has been used to judge politically sensitive cases such as attacks by Corsican separatists.]

Banned Neo-Fascist Rally Blocked by Spanish Police

EL ESCORIAL, Spain - Government police prevented 500 Spanish neo-Fascists from holding a banned rally Sunday in this former royal vacation spot.

A confrontation between mem-

bers of the extremist Fuerza Nueva Party and Civil Guards was averted when party leader Bias Pinar called on followers outside the local bullring to avoid violence. "We will not fight the Civil Guard, a body of honor which has our respect and which has given so many martyrs to Spain," he said to cheers of his flag-waving support-.

Mr. Pinar then led assembled rightists to a Mass at the nearby Valley of the Fallen, a vast mansoleum holding the tomb of Franco.

Fuerza Nueva had plauned to hold a rally in the bulling at El Escorial as part of celebrations to mark Saturday's 45th anniversary of Franco's joining of the 1936 uprising. The meeting was banned by local Madrid authorities on the grounds that permission quested too late.

Civil Guards carrying riot-gas guns and nthers on horseback blocked the entrance to the small bullring as rightists waited for Mr. Pinar. After talking to the com-mander of the Civil Guard, the rightist deputy asked the crowd to withdraw peacefully. "I ask you to give a lesson in good discipline,

The demonstrators sang the Falangist anthem with right arms raised in the traditional Fascist salute and then left for the Valley of the Fallen.

Press Assails Defferre

MADRID (Reuters) - The Spanish press reacted angrily Sunday to statements by French Interior Minister Gaston Defferre that France would not extradite sus-pected Basque guerrillas wanted for trial in Spain.

Mr. Defferre told the French

weekly Le Nouvel Observateur that extradition was against France's traditions, especially as far as a political struggle was concerned. The Spanish daily ABC called the statements an intolerand the Roman Catholic newspa-per YA said that if Mr. Defferre considered Basque terrorists to be political fighters he could skip his planned visit Tuesday to Madrid.

Reagan Reportedly Decides Trade Policy

House was increasingly moving toward practical decisions instead

of posturing in foreign policy. Others expressed great unhappiness about what they saw as a severe problem of logic and politics, that is, asking the American people to go along with sharp increases in military spending to hold back the Soviet Union yet not taking an equally tough position on the eco-

nomic matters.
Until the middle of last week, when Mr. Reagan made his decision, be was prepared to go far to keep his options open while others were trying to close them. On July

13, the office of Mr. Schmidt announced that the pipeline deal was "as good as complete." Within minutes, officials said, Mr. Reagan had a telephone call placed to a Schmidt aide, and two hours later the announcement was withdrawn. The following account of the

background to the president's deci-sions was provided by officials in many of the agencies involved in the two-month policy review. Mr. Casey submitted a paper backing Mr. Weinberger's posi-tion. He had discarded a pro-Haig

paper prepared by the economic and energy staff of the CIA and ordered a staff aide to write the second paper.

Little Agreement

At a meeting of the National Se-curity Council on July 7, there was agreement that Western equipment would be important to Moscow and that sales of critical materials should be curtailed, but on lit-tle else. They could not agree on whether Moscow faced simply energy problems, as Western nations do, or an actual crisis. They could not agree on whether it would be wise to try to close off energy-related exports and on whether Moscow would react to such a move by allocating more of its scarce resources to peaceful economic pursuits or by putting more pressure on the Gulf area to obtain more

Mr. Haig made the case for not pressing the Soviet Union so hard across the board that it would become unpredictable. Mr. Weinberger countered that Moscow was going to cause more trouble in the Gulf area no matter what Washington did on trade, and that an embargo would force Moscow to divert funds from the military.

Under the Export Control Act of 1979, the export of certain ad-vanced technology products must be approved and licensed by the government, and licenses can be denied on foreign policy or nation-al security grounds. After the Soviet military intervention in Afghan-istan, the Carter administration embargoed transfers of technology that could be used for military as well as economic purposes, and of technology to be used in the pro-duction of equipment. The ques-tion before the president was whether the enthurgo to all strategic equipment.
At a second NSC meeting, on

specific items to the embargo list, such as silicon chips used in comsuch as suicon chips used in computers. Mr. Weinberger argued for a complete embargo of critical technology and equipment that could have a military use.

The second issue was the pipeline, a projected \$10-billion-plus

enterprise in which several European countries would finance the building of a pipeline from Siberi-an fields in exchange for the natu-ral gas that would flow through the

Europe as Hostage

Mr. Weinberger and Mr. Casey argued for preventing the deal on the grounds that Western Europe would become hostage to a cutoff of supplies.

Mr. Weinberger and the others

agreed that, because the prospec-tive deal had been reduced from two pipelines to one and because France had almost halved its requirements and Belgium had dropped out, the problem had boiled down to West German dependence. There was also agreement that

the pipeline would, at most, in-crease West European dependence on the Soviet Union for its energy on the soviet Omen for its energy requirements by only 1 percentage point — from 8 percent in 1979 to 9 percent in 1985. But by 1990, West Germany would be receiving about 29 percent of its gas from the Soviet Union. Mr. Haig outlined a "safety net"

Mr. Haig outlined a "safety net" concept. It consisted of the allies' buying less in the first place; building up a six-month emergency supply; making sure the major gas users in Europe were industries rather than residences, so they could switch to oil, and ensuring that there would be a senseste that there would be a separate West European gas network so West Germany could receive gas from the Netherlands and Nor-

The last agenda item was the proposed sale of 100 pipe-laying tractors for \$40 million. The tractors would not be used for the tors would not be used for the pipeline to West Europe but in existing Soviet gas fields. Against Mr. Weinberger's proposal for rejection of the license, Mr. Haig maintained that the Soviet Union already had 1,000 of these pipelayers from the United States and will from January that the deal was Soo from Japan, that the deal was small and that Japan would sell them if the United States did not.

Published every Monday, this is a compilation of senior positions published in the INTERNATIONAL HERALD TRIBUNE and other selected publications. Comments concerning this feature can be addressed to Juanita Caspari in Paris.

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COMMISSIONED - The USS Dallas, a fast-attack submarine in the Navy's Atlantic fleet, was commissioned in Groton, Conn. It is the 13th submarine of its class in active service.

China Prevents UN Talks on Cambodia From Barring Possible Return of Pol Pot

By Bernard D. Nossiter New York Times Service

UNITED NATIONS, N.Y. -China has succeeded in blocking a Inited Nations conference on Cambodia from placing obstacles in the way of a possible return to power by the deposed Pol Pot fac-

A gathering of 92 nations on Friday ended its weeklong deliberations here with a declaration acknowledging that the Pol Pot group and other insurgent factions can keep their arms. The document implicitly permits the return of the Pol Pol group to administer Phnom Penh if and when UN-supervised elections are held there.

The conference, however, had a marked air of unreality. It was designed to open the way for negotiations on withdrawal of the 200,000 Vienamese troops who now occupy Cambodia and on free elecions, But neither Vietnam, whose soldiers deposed Pol Pot in 1979. nor its ally, the Soviet Union attended. They called the meeting illegal and one-sided.

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The only practical result of the conference appears to be the creation of a committee of seven nations charged with "maintaining contact with the parties to the conflict." The hope is that they will draw Vietnam into talks.

2 Killed on Mont Blanc The Associated Press

AOSTA, Italy - Two Dutch Alpinists fell to their deaths Saturday while scaling the Zinalrothorn peak of Mont Blanc, the police reported.

Outside the meeting. Ha Van group, the Son Sann forces are en-au, Hanor's representative at the gaged more in smuggling than Lau. Hanoi's representative at the United Nations, said he would not recognize any committee created by the conference. But be printedly refused to say that Vetonal would not meet with the group if it dropped its conference label, and he thus left the door slightly ajar

for talks. China's success in defending the rights of the Pol Pot faction, which it backs with weapons and aid, was all the more remarkable because China was backed only by Chile

and Pakistan, diplomats said. China maintains that the Pol Pot group, which sits in Cambo-dia's seat in the United Nations, is the victim of Vietnam's aggression and that it is the legitimate government of Cambodia.

The Southeast Asian countries, led by Singapore, had tried to hamper a restoration of power to the Pol Pot group, which is accused of actions while it was in power that took perhaps three mil-lion Cambodian lives. Singapore drafted a declaration that would disarm all factions in Cambodia and provide an interim or neutral administration when elections are

But the final draft, a product of long bargaining, only urges "appropriate measures to ensure that armed factions" will not disrupt elections or coerce voters once Vietnam's troops pull out.

This would give the Pol Pot faction, with about 25,000 guerrillas, great advantage. Its only armed rival, led by the non-Communist Son Sann, claims about 2,500 guerrillas. According to the Pol Pot be added later.

fighting in the Vietnamese. Instead of Singapore's call for a neutral administrator during elections, the final document merely urges "appropriate measures for the maintenance of law and order." That could let an armed Pol Pot group be present in the capital during the vote.

'Appropriate Measures'

Singapore and the other Southeast Asian nations at the conference had hoped to extend an olive branch to Hanoi by inviting Heng Samrin, the titular Cambodian president installed by Vietnam. China stopped that, too, asserting that Heng Samrin bas no standing.

Finally, the Singapore group urged a specific offer of aid to Victnam if it pulled out its troops. But again China won the drafting battle, and the declaration calls only for aid to "all states of the region," without mentioning Viet-

China's drafting victory resulted from two factors. The nations here were determined that any document must win unanimous approval and that no division should be shown to Hanoi. In addition, there was a widespread feeling that the document should emphasize principles and not be too concerned with details. Both China and Singapore say their principles were upbeld.

The seven nations on the committee that will seek to engage Vietnam in talks are Thailand, Malaysia, Japan, Sri Lanka, Nigeria, Senegal and Sudan. More may

Italy Names 5 New Chiefs In Military

ROME - The government has appointed five new armed forces chiefs in an unprecedented peace-time reshuffle.

Gen. Vittorio Santini, com-mander of NATO ground forces in southern Europe, was named chief of the defense staff on Saturday. He replaces Adm. Giovanni Torrisi, who resigned 10 days previously because of the scandal over the P-2 secret Masonic lodge.

New chiefs of staff of the army. navy, Carabinieri and customs police were also named Saturday.

The former head of the customs force, a paramilitary body, also resigned after the Masonic scandal. The heads of the army and navy had both reached retirement age.

Defense Minister Lelio Lagorio, referring last week to the impending reshuffle, said that the new military chiefs would be men of "a high degree of professionalism, a spotless background, and who can guarantee their loyalty to the re-

Gen. Umberto Cappuzzo, bead of the Carabinieri, was promoted chief of the army staff, and Adm. Angelo Monassi, command-er of NATO naval forces in southern Europe, was named chief of the naval staff.

Ger., Lerenzo Vulditara, the northeast regional military commander, took over the Carabinieri post, and Gen. Nicola Chiari, chief of the Fifth Armored Corps, the customs police.

The Rome newspaper Il Messag-gero said that Italy's military establishment had seen no comparable shakeup since the defeat by Austrian forces at Caporetto (Kobarid) during World War I.

Interior Minister Virginio Rognoni later named two new secret service chiefs to replace those who resigned over the Masonic scandal.

Emanuele de Francesco, 60, prefect of Turin, was appointed bead of the Internal Security Network (SISDE). Orazio Sparano, 55, for-mer prefect of Padua, was put in charge of the Information and Security Committee (CESIS), which coordinates the secret services.

Mr. Rognoni did not name the new bead of external security (SISME) and gave no explanation

Djuranovic Quits Athens United Press International

ATHENS — Premier Veselin Djuranovic of Yugoslavia ended a three-day visit to Greece on Sunday and returned to Belgrade, a ernment spokesman said. A joint communiqué said that relations between Greece and Yugoslavia had improved and that both sides pledged to expand relations.

U.S. Urges Pregnant Women Not to Drink Abstinence Advised Because of Uncertainty on Birth Effects

By Joel Greenberg

See York Times Service WASHINGTON — Pregnant women should drink absolutely no alcohol, the surgeon general has officially advised doctors in

the United States. Previous warnings have stopped short of advocating abstinence. But public bealth officials now say they know 100 little about the effects of even small amounts of alcohol to condone the use of even one ounce of alco-

hol during pregnancy.

The advisory, issued in the July issue of the Food and Drug Administration's Drug Bulletin, comes in response to an exhaustive review of scientific research during the last decade into the effects of alcohol consumption on pregnancy, according to John DeLu-ca, director of the National Institute on Alcohol Abuse and Alcoholism.

The review was forwarded to the president and the Congress last November. It was compiled by the institute along with the Food and Drug Administration and the Bureau of Alcohol, Tobacco and Firearms.

Uncertainty

Several studies published in the last five years indicate that pregnant women who drink as little as one ounce of alcobol a day tend to have children with low birth weights, and women who drink just one ounce of alcobol twice a week show an increased incidence in spontaneous abortion.

While scientists have been relatively certain for years that excessive drinking - at least 3 to 4 ounces of alcohol a day - can contribute to birth defects in newborn ba-

bies, they have been unsure about the effects of light drinking. And although the latest findings suggest that any alcobol consumption can affect unborn babies, researchers say they are still un-

certain about the extent of the effects. "It's really quite simple: We don't know a safe level," said Mr. Deluca, who conducted the study for the institute. "I can't say that one drink is safe and one and a half is not the science does not allow us to do that."

Mr. DeLuca said be was not telling preg-nant women that because they might have bad a few drinks, their babies would be damaged. "I would tell pregnant women to relax and have a healthy baby." he said. "But I would recommend that they stop drinking."

But the warning was criticized as "overkill" by Dr. Morris Chafetz, the founding director of the National Institute on Alcohol Abuse and Alcobolism from 1970 to 1975. Dr. Chafetz said that the studies reviewed for the institute's report "leave a great deal to be desired."

Other Factors Cited

Many of the studies surveyed mothers and babies after, but not before and during, pregnancy, he said. Therefore, it was not possible to tell whether small doses of alcobol -

rather than tobacco, stress, poor nutrition or other factors - were primarily responsible for the low birth weights and spontaneous

'For the surgeon general to take that kind

of data and make such sweeping implica-tions is wrong." said Dr. Chafetz, who is now president of the nonprofit Health Education Foundation in Washington.

The current surgeon general's advisory urges total avoidance not only by women who are pregnant, but also by those who are planning to be. "We reviewed all the science in the area essentially since the beginning — beyond the last 10 years." Mr. Del.uca said. "Our recommendation was based primarily on the

link between excessive consumption and birth defects." Excessive drinking has been reported to trigger a wide but definable range of birth problems known as fetal alcohol syndrome. Defects associated with the syndrome can include one or more of the following: mental

retardation, central nervous system disorders, growth deficiencies, certain facial abnormalities and other malformations, cardiac and other organic problems. The reported effects of alcohol occur inde-

pendently of those caused by smoking and poor diet, according to the advisory. "In addition, it has been readily demonstrated that alcohol readily enters the breast milk and thus is transmitted to the nursing infant." the advisory states.

Black Pilot Defector Poses Problem for South Africa

By Jack Foisie

Los Angeles Times Service HOEDSPRUIT, South Africa -LL Adriano F. Bomba, a 23-yearold Mozambican fighter pilot wbo defected to South Africa earlier this month, is causing the South African government a large head-

He wants to settle in South Africa - to resume his interrupted education, he said. But Lt. Bomba is black, and the fact that be speaks four languages and can fly MiG jet fighters does not qualify him for residence in South Africa, nor to enter into the South African Air

Force under present law. There are few enlisted blacks in the air force, and none who are of-

Under South African segregationist policy. Adriano Bomba is a "foreign black" and eligible to be in the country only as a contract laborer from a "tribal homeland" to which he must return after his labor is completed.

Asked if he had not foreseen that problem, Lt. Bomba, replied obliquely: "After my country's propaganda, I was surprised to see how blacks and whites interact. But he added that by being restricted to this air base since be landed a Soviet-built MiG-17 bere on July 8, "I have not yet been fully enlightened" about racial conditions generally.

With three years of jet training

in the Soviet Union, Lt. Bomba represents an unusual source of military intelligence. As one of only 22 fighter pilots in the Mozambique Air Force, be is also providing technical information about Mozambique aerial defenses and what the Soviet Union and other

Sindona Accused In Milan Murder

MILAN - Italian magistrates have issued arrest warrants against financier Micbele Sindona, who is jail in the United States, and William J. Arico, an Italian-Ameri-can, for the murder of a prominent Milan lawyer in 1979.

Officials said Friday the warrants accuse Mr. Sindona of instigating the murder of Giorgio Ambrosoli, and Mr. Arico of being one of his killers, Mr. Ambrosoli was the liquidator of Mr. Sindona's Banca Privata Italiana, closed by the government in 1974 after the collapse of Mr. Sindona's financial empire.

Mr. Ambrosoli was shot and killed outside his Milan home only hours after testifying on the Sindo-na affair before U.S. investigators. Mr. Sindona is serving 25 years in the United States in connection with the failure of his Franklin Na-

Communist countries are provid-

Lt. Bomba has been helpful during interrogation, South African Air Force Brig. A.J.S. van der Lith said. The latter is air force chief of intelligence and played bost at an unprecedented visit by foreign newsmen to South Africa's most modern air force installation, located close to the Mozambique

In answering newsmen's ques-tions, Lt. Bomba denounced the Frelimo Political Party that rules Mozambique and to which be belonged. The South African government is capitalizing on this opportunity to display its first black de-

fector to a white regime. Lt. Bomba is likely to be granted asylum and is seeking permanent residence. Not to give him refuge would mean sending him back to almost certain death by the Mozambique government.

"Whatever status I receive, I do not intend to become involved in internal politics," Lt. Bomba said, a reference to the majority black population's campaign to gain quality with whites.

The pilot, wearing a starched camouflage uniform, said his bitterness toward the Mozambique government, beaded by Samora Machel, stems from a Machel order that high school education be shortened to provide semitrained men for the armed services and government civil service

The ability to continually stimulate fresh im-

petus nearly always presupposes natural enthusiasm, mental agility and physical fitness. And people who possess these attributes to an excep-

tional degree very often share a fundamentally competitive attitude to life: both in their professio-

nal and leisure activities. A company isn't so very different. If it is involved in competition – as BMW is in motor sport – it is fit, enthusiastic and more

capable. In short, it is more successful.

However, the moving spirit of the company, its virtues and attitudes, its healthy approach to competition, together with the ability to gene-

rate genuine enthusiasm, influence more than just the character of our products. To us, a competitive spirit also means having more courage to pursue original and unusual ideas, to tread new paths. And, above all, the ability to answer

The order caused Lt. Bomba to miss his final year of high school, and put him in the air force in-

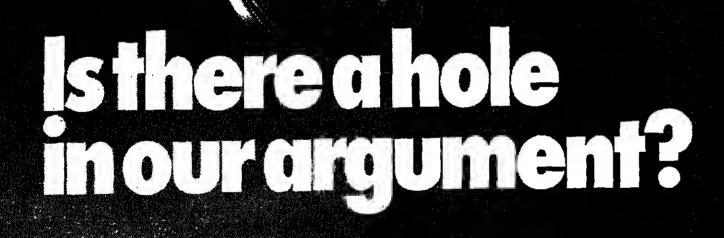
When he decided to flee, he con-sidered South Africa as his only haven, despite its racist policies. To fly to neighboring black-ruled countries, all friendly to President Machel, would bave led to his being returned to Mozambique for punishment, he believes.

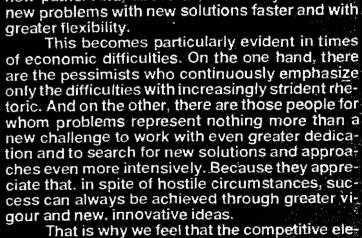
Hearing by radio that Lt. Bomba had defected, his brother Bonaventure and his wife and son, who were in the small black state of Swaziland at the time, also fled to South Africa. Their request for asylum is also being considered. Brig, van der Lith disclosed. Bonaventure is a musician. The Bombas' parents and six sisters remain in Mozambique, their fate un-

India Said to Refuse U.S. Offer of F-16s

Remers
NEW DELHI — India some time ago declined a U.S. offer to supply older, less powerful models of the F-16 fighter plane, The Press Trust of India reported Sunday from Defense Ministry sourc-

The United States recently decided to sell F-16s to Pakistan and came under attack from the Indian government





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BMW AG, Munich

Page 6 Monday, July 20, 1981 *

More Blind Violence

When the cycle of death subsides again in the Middle East, there will still be an Israel and there will still be a Palestinian problem. The Palestine Liberation Organization will still get blood money from Arab states and arms from the Soviet bloc. Israel will still get F-16s from the United States.

Violence that can alter political realities can at least be said to have a political purpose. Violence that alters nothing is a desperate confession of political bankruptcy.

The Palestinians rain terror on Israel without a plausible political program. If it's a haven in Lebanon for which they die, they surely know that Israel will not tolerate it as a sanctuary for military action. If it's the West Bank for which they struggle, this is hardly the way to demonstrate a desire to live peacefully beside Israel.

But Israel's massive retaliations serve no saner purpose. As long as Prime Minister Menachem Begin's only answer to Palestinian nationalism is the absorption of a million

Palestinians into a Greater Israel, he makes martyrs of fanatics and a goat of Egypt's President Anwar Sadat.

Begin's historic assignment is not the slaying of a hundred Arabs for every Israeli casualty. The Arab world well knows of his superior, American-sponsored firepower. Israel's duty now is to translate military strength into a diplomacy that gives true promise of disarming its enemies.

And what could be more bankrupt than the on-again off-again F-16 signals from Washington? Delaying a few planes will never still Israeli guns in mid-battle. Nor will it prove evenhandedness to Arabs. There are clearer ways to register discontent with Begin's policies and America's determination not to follow him down a blind alley.

Israel exists, Palestinian nationalism is real and the West Bank remains negotiable. That is the tripod for an American policy that the Reagan administration had better erect soon. THE NEW YORK TIMES.

An Alliance of Skeptics

Having won over most of the domestic op-position, Ronald Reagan now takes his economic magic show before the allies, at his first industrial summit in Ottawa.

The European, Canadian and Japanese leaders can be dismissed as bad sports, weeping for a weaker dollar just as they used to shout for a strong one. But while the allies do not vote in American elections, they belong to Reagan's constituency. The American economy still dominates the West to such an extent that any storm in the United States produces tidal waves of discontent across both oceans. A decent foreign policy requires that Reagan's colleagues be not only humored, but that they be convinced that the president knows what, economically speaking, he's about.

And the allies are skeptical. They doubt that Reagan's approach will soon produce vigorous growth, moderate inflation and a balanced budget. They fear that their own economies will be further damaged while the president learns a painful lesson.

In fact, the politicians in Bonn and Paris

only echo the skepticism that can be heard in Wall Street. Like Americans, they are impressed so far only by the bold cuts in federal spending for civilian programs. On that front, Reagan has produced something of a revolution, forcing Congress to curtail expenditures that only a year ago appeared politically sacrosanct. But these savings will be substantially offset by higher military spending, which accounts for the fear that his simultaneous tax cuts will only perpetuate high inflation.

Indeed, the president himself has virtually abandoned the rationale he once offered for large tax cuts: a bold "supply-side" stimulus for savings and investment. What now impends is a fat and floppy Christmas tree of tax reductions that will surely enlarge the Ottawa this week, not only Americans will federal deficit, stimulate consumption and leave inflation untamed.

It is this confused fiscal strategy that leaves the Federal Reserve Board with an essentially impossible task, as its chairman, Paul Volcker, has begun to complain. He is left to battle alone against inflation by tightening the money supply without provoking a

lengthy recession. It would be quite a trick. The Fed's lonely battle against inflation has already driven interest rates so high that its own economists are surprised. And these high U.S. rates leave Europeans in a no-win situation. If they set their own rates higher to compete, they cause a further slowdown in their economies. If they stick with lower interest rates, the deterioration of their currencies in world markets produces more infla-

Similar dilemmas haunt the policy inside the United States. While Reagan tries to encourage investment by reducing taxes, the Fed's high interest rates will only discourage investment. And while high interest rates may help to hold down some prices as economic activity slows, they also add pressure to prices by raising the cost of doing business, both public and private.

In a more rational world and with different advisers, Reagan would have used his political power to pursue a more coherent strategy. What the United States needs to defeat inflation and to raise productivity is tighter controls on the budget and a looser rein on the money supply, not the reverse. That way, the economic restraint that's needed to squeeze out inflation would fall more evenly over industry, and interest rates would be less of an impediment to new investment. And tax cuts should have been used to induce restraint on wages and prices.

But Reagan has brushed aside this fundamental criticism. His advisers predict better times within a year. As he will be told in suffer if they are wrong.

THE NEW YORK TIMES.

As Goes La Prensa ...

It is not easy to tell whether Nicaragua, in Sandinista hands, will go the Cuban way, which is not so different in many respects from the Somoza way, or whether it will find its path to a respectable and enduring pluralism. The different tendencies are there.

It is possible to say, however, what the key indicators are. Do institutions independent of Sandinista control exist, and do they have a reasonable chance of hanging on? The private sector of the economy is one, the church is another and the press is a third. That is the context in which to assess the Managua regime's suspension of La Prensa for two days a week ago.

For decades La Prensa has been the leading newspaper in Nicaragua. It was the assassination of its publisher in 1978 that became the catalyst of the revolution against Somoza family rule. Since the revolution, it has remained far and away the most popular paper in Managua, and the most critical. The particular source of trouble this time apparently was the reporting by the paper on govern-ment destruction of billboards bearing religious themes, official efforts to keep a critical radio station off the air, and the roughing up of a journalist, among other things.

Unquestionably La Prensa is a thorn in the regime's side. Particularly is this so at a time when the economy is in desperate straits and sinking - rice and beans have to be imported from, of all places, war-torn El Salvador and when respected observers like the Miami Herald's Shirley Christian can write that "a majority of Nicaraguans are disillusioned today with the young men they swept into power, and would vote against them if given the chance." A strong Marxist element in the leadership holds that, to the extent that any of the country's still-independent institutions decline to be supine, they should be intimidated or otherwise controlled. (The People's Revolutionary Government of Grenada, by the way, has just shown the way: It has simply banned the press for a year.)

At the same time, La Prensa is the most conspicuous adornment of the regime, the badge of its continuing openness and its plnralist potential. Nothing would more loudly signal a decision by the Sandinista directorate to force Nicaragua down the Havana road than the muzzling of La Prensa. Was the suspension a test of whether the Sandinistas might get away with it?

THE WASHINGTON POST.

International Opinion

After the Bombing of Beirut

Mr. Begin clearly believes that nothing he does will ever upset the United States to the point where it will cease to supply his country with arms. Surely it is time that some American president summoned the courage

to say, "Enough is enough"? Fear of American reaction is the only effective restraint on Mr. Begin's belligerence. Unless that fear is reinforced soon, hopes for peace in the Middle East will have to be abandoned forever.

— From The Sunday Telegraph (London).

In the International Edition

Seventy-Five Years Ago July 20, 1906

BERLIN - Notwithstanding Mr. Rooseveit's official assurance that the new inspection laws guarantee the purity of American meat exports, Germany is to enforce new and more stringent regulations against imports from American packing houses. Meat inspectors at various German ports have been instructed that they are to scrutinize the glands of all imported meat cuts for tuberculosis and if symptoms be discovered the meat is not to be permitted to enter. This constitutes a direct blow at what remains of the American meat import in Germany, as the meat comes with the glands removed before shipment, the packers being unable to leave in the glands without spoiling other cuts that are not destined for export.

Fifty Years Ago July 20, 1931

PARIS — London today replaces Paris as the scene of the great international effort to save Germany from disaster. The first act of the drama was the historic meeting between the French and German ministers here yesterday. The rapprochement of France and Germany, which was considered essential before any headway could be made in London, has to some extent been accomplished. It was begun in a note of hope Saturday and was continued with less hopeful results yesterday, when a further effort was made to reach an understanding on several important points left in suspense. M. Laval, M. Briand, Chancellor Britning and Dr. Curtius will leave for the seven-nation conference that opens in London this afternoon.

What Is to Be Done About Begin?

By James Reston

for his own country.

WASHINGTON — On the eve of W President Reagan's first meeting with the other leaders of the industrial world in Ottawa, and at the start of his first attempt to renew peace negotiations in the Middle East, Israel has bombed Palestinian guerrilla headquarters in a densely populated civilian area of Beirut.

Coming shortly after Israel's bombing of the Iraqi nuclear laboratory outside Baghdad, and the popular support shown for this militant Israeli policy by the re-election of Prime Minister Begin, it is clear that Begin intends to defend his country against the PLO terrorists with the terror of his air force. And not only in the Old Testament terms of "an eye for an eye and a tooth for a tooth," but with an eye for a tooth.

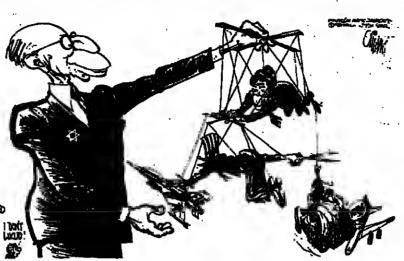
That is his business and his duty as he sees it. The question is what Washington is going to do about it.

Regardless of his treaty commitments to the Charter of the United Nations, or of consequences on the relations of the United States and the other Western countries with the Arab world, Begin does

what he pleases and what he thinks is best

None of the allied leaders meeting in Ottawa could claim that Menachem Begin Ottawa could claim that Menachem Begin deceived them. He has been more consistent than any of them. He began as a terrorist to establish Israel's independence, and, provoked by the terror of the PLO guerrillas, is using the arts of terror to maintain it. But with his bombing of Baghdad and Benut, he has defied the opinion and interests of the United States government, on whose political and miligovernment, on whose political and military support he depends.

In other crises of U.S.-Israeli relations - the Israeli bombing raid on the Iraqi nuclear facility is an example - Washington has "deplored" and "condemned" the use of force by Israel, and has withheld for a few days the delivery of more Ameri-can bombers to Israel. It was on the point of delivering them anyway, when the Israelis bombed the PLO headquarters in Beirut. The chances are that when the news of this latest outrage gets off the headlines, the planes will then be delivered. But at the Ottawa summit, Reagan



will undoubtedly be confronted with some

These are not casual questions, but even if they are raised in the Congress or the press of the United States, they are immediately met with a torrent of abuse by the "friends" of Israel, many of whom assume that the national interests of Israel are identical to the worldwide interests of the

tebello in Quebec, across the river downstream from Ottawa, won't embarrass Reagan by stressing these questions. They will be together for only a day and a half. They have produced "briefing papers" as big as telephone books for over a thousand reporters, and after the Big Seven leaders talk in their various languages, there will be little time to deal with their there will be little time to deal with their economic tangles or the problems of the Middle East, or North-South relations, before they have to agree on the final communique, which will, of course, emphasize their agreement on the goals of a more orderly world without mentioning disagreements about how to get there.

There is, however, no way — and they all know it — to deal with their economic problems of interest rates, trade, unemployment, energy, and the alarming and growing cost of military arms, without dealing with the political problems of the Middle East, and their relations with the

Maybe Reagan can't do much for a

hard questions. What is his Middle East policy? Will the United States continue to finance policies in Israel it "deplores" and "con-demns"? If so, will it ever get the support of the Arab oil states for the fuel at bear-able prices the industrial nations need? Or will it get the military bases Western will it get the military bases Washington wants, to protect the free world against Soviet expansion? Or, in addition, will it ever get a compromise settlement of the Palestinian problem on this basis?

United States, and even that questioning Begin's bombing of Baghdad and Beirut is in some ways a form of anti-Semitism.

Maybe the leaders at the Châtean Mon-

while with the Soviet Union, since he has

for his defeat.



been insisting in public that they are wes and failing and that, paradoxically, th United States must increase its militar budget to deal with their strengths. By presumably he could do something about the Middle East, where he is trying 1, moss make peace, build a secure source of ene gy and a barrier against Soviet expansion

But he cannot do this without a setther ment of the Palestinian problem. By droubing the Iraqi nuclear facility, and by bombing the PLO headquarters and killstylle careful and the palestine careful are the palestine careful are the palestine and the palestine careful are the pa ing civilians in Beirut, Israel has assure has that the Arabs, with Saudi Arabia's engages less supplies of oil money, will get mucke means or another, an means or another, an means of another, an means of another, an means of another, and means of another will continue, by their fertility and hostil means of a relentless war against Israel.

Washington knows this all too well, by the state of the s Othews summit meeting, he will undoub rate edly be told that Washington's continuit support of Israel, no matter what Begissed does, and his verbal hostility to Mosco and and rejuctance to reach a nuclear and agreement, will, if continued, split the all aster ance, and cause more trouble in the worl than we need to have.

Mitterrand and an Impatience With Effort in France Passivo at 1982 in 1982 in

By William Pfaff

tionalize eleven major industrial groups and the principal banks still in private hands will respect

the existing character of these companies and will not overturn

structures" or disrupt existing ommercial and banking networks. He said the state is determined

that the nationalized companies

enjoy "unhindered action in com-peting worldwide," and he specifi-cally rejected Mr. Ceyrac's charge

that the French were voting to step

out of the international struggle.

new élan, not resignation."
But the expectations of the voters, as they have articulated them

to polisters, are not that simple. Because the American press gave a

great deal of attention to the

Bokassa diamonds affair in the last

months of the government of Valéry Giscard d'Estaing, it is of-ten assumed that this, with the for-

The victory of the left means a

DARIS — Is French Socialism progressive, or reactionary? It is possible to argue that by voting for Francois Mitterrand as president in May and giving the Socialist Party a huge parliamentary ma-jority last month, the people of France were trying to back out of the modern competitive world, to take refuge in the past.

Mr. Mitterrand's electoral campaign lends itself to this argument. His campaign posters pictured him as a simple, rather plain man, standing in solitude before a picturesque village — stone houses, a church tower, in quiet fields. The appeal (conceived by a highly unaconservative Paris ad man lacques conservative Paris ad man, Jacques Seguela) was frankly conservative. The imagery was of stability and the eternal rural France. Absent was any allusion to dynamism, in-dustry, progress, competition.

The opponents of Mr. Mitter-rand, former president Valery Giscard d'Estaing and Paris Mayor Jacques Chirac, presented them-Jacques Chirac, presented selves in their campaign posters selves in their campaign posters, and thus, implicitly, as men making demands upon the French. Mr. Mitterrand was advertised as a man of "tranquil strength" reas-suring a troubled electorate.

Village Roots

The night of the parliamentary election, a Frenchman said to me that people were voting for the Socialists because "the ordinary Frenchman can see himself in the Socialist Party." It is not an urban and intellectual party, nor even a workers' party, properly speaking. Its historical roots are in the village and the local school.

It became a major force in France at the end of the 19th century, when the country was still hardly industrialized, because major sectors of the peasantry were won to its support. The enemy then was not the factory owner but the rural creditor.

Forty-three percent of the newly elected Socialist members of parliament are teachers - an as-

-Letters

A Good Tour

The New York Times' Gregory

Jaynes has survived his two-year

tour of duty in Africa in good form. His valediction (IHT In-

sights, July 9) is full of common-sense observations and deserves

high marks, as does the paper that

sent him. His writing has matured

from those early pieces — more insight, less awe. Now R&R for you,

Jaynes. You earned it.
RAYMOND J. SMYKE.

Unfinished Duty

As a Marine combat veteran of

Vietnam, I've read with great inter-

est the articles and editorials con-

cerning the Vietnam veteran. Al-

though various sources have con-

tributed to the ever-greater aliena-tion of the Viet vet from American

society, I think that a major source

is the apathy and selfishness of the

American (and European) public concerning the plight of the Viet-

namese people.

As the Vietnam veteran returned

to America, his greatest shock was

often the realization that very few

people were really concerned

about what was happening in Viet-

nam. Let's be honest: Few people

Today, tens of thousands of

Vietnamese "boat people" have al-

ready been victims of a bloodbath

on the high seas. Unlike the case of

Nazi Germany, few traces of the

extermination can be gathered for

future public opinion, without

searching the bottom of the sea. We Vietnam veterans may ask

why the mass media keep silent

while thousands of men, women

and children are allowed to be vic-

tims of the pirates off the coast of

were affected in America.

Morges, Switzerland.

tounding percentage; 37 percent are university or secondary school professors, and the rest teach in elementary school. And 28 percent of the new Communist deputies are also teachers (18.6 percent in elementary schools).

The country is in the hands of its educators. The Socialist Party is the inheritor of the republican tradition itself, of lay schools, universal literacy, enlightened thought, aggressive secularization—and this is deeply rooted in popular France, especially in certain regions, such as Provence and the old Languedoc, traditionally hos-tile to Paris and the north.

Romantic Escape

The former governing parties, on the other hand, have stood for a new France of urbanization, industrialization, economic rationaliza-tion and dynamism. Nearly 40 per-cent of their deputies in the new parliament are either heads of enterprises or senior business executives. Nearly a fifth have been high state officials.

The head of France's manufacturers' association, François Ceyrac, has compared the 1981 elections with the events of May, 1968 - both of them attempts to find a romantic escape from the modern world. The French, he said, are tired of being told to compete.

Ceyrac sees "a fatigue engendered hy the enormous effort constantly demanded for the last 23 years — people ask, Will it ever end?" He says the French "are not used to such a prolonged ef-fort, even if they are capable of great things in the short run." It is a brutal comment, but one cannot say for certain that it is wrong.
The program announced by the

new premier, Pierre Mauroy, none-theless is not addressed to a slug-gard population. It makes no promises of easy prosperity, but insists on keeping an open, inter-nationally competitive economy. Mr. Mauroy said specifically that his government's plan to na-

Thailand, and children are tossed

into the sea. Veterans also ask

about the silence of the once-active

recognition? It almost seems as

though Americans would like to

"forgive" the Viet vets in order to

resolve their own feelings of guilt.

As a minority group, Vietnam vet-erans have been set apart and

As reported, many veterans have been unable to escape their very real memories of combat. Could

this be because those battles have

yet to be completed? How can the Viet vet be asked to "come in from

the cold" when be realizes that his

country is doing so little to resolve

the continuing suffering and death inflicted upon Vietnamese?

bers of Vietnam veterans who are

friendly toward the Vietnamese

people, I ask the media to awaken

public opinion. The International

Committee Against Piracy has as

its goal to send one or more ships

to the area of greatest danger off the coast of Thailand to provide

protection for the boat people and

as a force of dissussion against the

bandits. For more information

please write Sentinelles, 10 Chem-

in du Languedoc, 1007 Lausanne,

Curing Thatcher

My advice to Mrs. Thatcher is:

Go home to your kitchen and bake

bread — say, 12 hours a day for a couple of years — to feed the

breadless. It just might cure every-

thing that ails you. Have you ever

HARRY W. HAYES.

MARY CLARK.

Switzerland

On behalf of those great num-

Why are the veterans refused

anti-Vietnam movements.

largely forgotten.

L IVERPOOL — Grime, damp, rubble. Mean streets, boarded-up houses, squalid shops. This is Toxteth, in the center of Liverpool: a scene of un-

you see now was mostly that way before the night of rage two weeks ago. For a visitor the worst thing is not the crumbling buildings, the decay, but the un-remitting ugliness. There is not one sight of beauty or tranquillity, of fancy or exuberance. If hopelessness can be expressed in a physical setting, here it is.

The unemployment rate in Liverpool is nearly 40 percent; there are men 40 years old who have never had a real job. Crime is rampant, and a quarter of those prosecuted are under 16. In the last 10 years, 100,000 people - a sixth of the population - have moved out of the city. Those who stay are the un-

As a once-great port city, Liverpool has been racially mixed for a long time. Blacks speak with the same Liverpudlian accent as the whites. Black and white youths rioted together against the police. Why? Toxteth's member of Parliament, Richard Crawshaw, a Laborite turned Social Democrat, said the immediate ate reason was dislike of the police as an alicn au-thority that treats the people of Toxteth unfairly. The riots followed police questioning of a young motorcy-clist on where he got the bike.

Color Is Not Irrelevant

"Unemployment and bad conditions don't help." Crawshaw said, "but the tinder was the feeling that law enforcement is not evenhanded. The whites were as incensed as the blacks. The police haven't been able to establish better

relations in the community because they can't walk around it. They are remote from it, cut off. They aren't known except when they jump out of a car. Until you get so police can go in any house, have a cup of tea with Mum ..."

was a problem: "You can't get colored people to join the police because, if they do, their people think they're letting the side down." Of Liverpool's 5,000 police officers, four are hlack.

The phenomenon is not limited to Liverpool. The condon police force of 24,000 includes only about 100 blacks. British society generally lacks black role models. There are no black members of Parliament,

The new government must aissile ate jobs in a stagnant world ed my, without sending inflation high, and (according to their pill for him to fail are the wing of his own party, and make Communists, both inclined to steam policies of antarky, protectionant and economic isolation.

The next 18 months will agence mer president's imperious refusal to accept criticism, was responsible This is not so. It was the least important of the reasons given by French voters when asked why the old government failed, mentioned by only 13 percent of those polled. The bigest factor — mentioned by

The next 18 months will spector whether Prime Minister Mauriggade right when he says that the Friends now will tackle their problems specially with a new clan. They might spears that the Friends of the spears of

that the French are trying to makest their way back to that undernament and ing old France of village and francato which fresident Mitternament campaign posters made their president bignous allusion. There will make was watchers abroad. France's croun and its rivals would like to gourses that the French have gone on laureuri day from an exigent world. eseva

Political Failures in Britain

44 percent — was unemployment. And the people who voted against

and the people who voted against unemployment expect the Socialists to cure it.

French unemployment is presently at roughly the average level among the advanced industrial countries, higher than in West Germany, the Netherlands, Japan and the United States Issues have

and the United States; lower than

in Belgium, Italy and Britain. The

population is young and a quarter of a million youths enter the joh market each year. That many jobs have to be created to hold the em-

ployment rate where it is now.

By Anthony Lewis

The worst of the riots happened here. But what

To see this place is to know that the riots are a signal of something much deeper than passing dis-tress or social strain. Decay is nothing new in Liverpool; the city has been in trouble for decades. It is a menacing symbol of Britain's economic decline and of something worse, the failure of its political

skilled, the unemployable.

But color is not irrelevant. Crawshaw said there

no black high court judges, few black executive civil servants of rank. Those are some of the problems underlying KAD riots: urban decay, unemployment, social aliena race. And what is the government doing about th The depressing answer is that, over many ye hasses of Labor and Conservative governments have made used on the conservative governments have made

Labor's Harold Wilson, the Pangloss of Bri prime ministers, painted wonderful economic visi but left the country in a state of frightening inflat and low productivity. His sellout of Labor ideals much to do with today's political alicitation and rise of Troskyite and other extreme left faction

the Labor Party.

Now Margaret Thatcher, eschewing tradition

Conservative pragniatism, presides over a zeal to the labor property of the labor property o

try will take, they may be getting the answer. Not the Slightest Compassion Public disaffection from both major parties he volce of a

Public disarrection from foun major parties and human learn Earns grown with these failures of policy and human learn Earns. The amazing result in the Warrington by electic freedom with the new Social Democratic Party polling 42 [auto Rest:]

Cent, is a powerful signal of that feeling.

Race is another area of disastrous failure by po set Asia and cians of both parties. They have ignored reper that had warnings and succeed at suggestions that they le set Asia is by the American example and act to forestall troul had been asset as the control of the set of Those in charge have not taken even the first state on black access to skilled jobs. They have brought blacks into leadership roles, so that bl people might feel a part of the system. They he shown no sense of the urgent need for black pol men — or for measures to assure records that the

men — or for measures to assure people that enforcement is evenlanded. Enoch Powell, still hoping that the nation will him, goes on ranting about race — and is tree and

respectfully.
Worst of all may have been the establishment it tion to the riots. It was to treat the troubles as so thing caused by a sinister force: Nothing to do tus. Mrs. Thatcher showed not the slightest com sion — not the slightest interest, really, in the unitying conditions of the cities.

The riots tapered off, soon, into looting and in tive crime. The explosion may be over for now the world has had another demonstration of the folly of Britain's leadership is destroying wonderful country.

Ol981, The New York Times.

INTERNATIONAL Heralde Tribune

John Hay Whitney

Katharine Graham Arthur Ochs Suizber Co-Chairmen

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Report Warns

Stituted to the state of the world economy is one of large and ordered to the mean future.

Stitute of the state of the world economic situ requiring "courageous pursuit of sound policies attends of the mean future. Percent of the picture of the world economy is one of large and percent of the world economic street of the patients of developing to results in the medium of the patients of the organization for Economic Cooperation

hold 20 hold policies contrasts sharply with the wateren nown report week earlier by the Organization for Economic Cooperation and Development, whose 24 members for the most part constitute the most developed industrial democracies.

. . Timing of Reports

camaging, ooth domestically and domestic

young people just entering the job market.

While the jobless rates in most industrialized countries

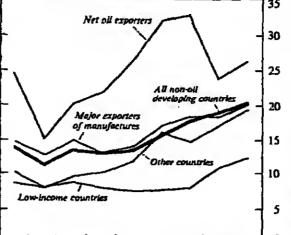
stand at post-war highs, the IMF notes that the number of people employed has also been increasing. "Employment rose in all of the larger industrial countries except the United Kingdom in 1980, and is expected to rise again in four of the seven countries in 1981. The three showing declines this year are France (down 0.8 percent), West Germany (1 percent) and Britain (3.6 percent after last year's drop of 2.6

Dangers of Relaxation

The IMF position in the growing debate over whether inflation or unemployment should be considered Enemy No. 1 is forthright:

"Top priority should continue to be given to containment of inflation, with supply-side measures used to releas the energy constraint and, more generally, to foster productive investment and labor mobility."

If governments "relax ... and shift toward expansion rematurely, the results could be very bad. Growth rates prematurely, the results could be very bad. Growth rates might improve markedly for a year or two, but inflation would flare up again and the ensuing development would be damaging, both domestically and internationally. Several years would have been lost in the light against inflation, and



1973 1974 1975 1976 1977 1978 1979 1980 1981 Chart shows annual debt service payments of non-oil

producing developing countries and other nation groups as percentages of exports of goods and services. The IMF expects the borrowing needs of non-oil developing nations to grow substantially.

ing to accept the consequences of belt-tightening, it is not realistic to expect that of the developing countries where standards of living are already so much lower.

Even assuming, as it does, that anti-inflation policies remain intact, the IMF view of the world by 1985 is still

Opinion Divided on Future for Searle's New Sweetner By Thomas C. Hayes New York Times Service New York Times Service New York — The lemonade in 1980, and \$22.7 million in pretax profit. New restrict States of the strawberries and the NEW YORK — The lemonade in 1980, and \$22.7 million in pretax profit. New restrict States of the strawberries and the New restrict Times Service New rest

current on the rections, offered at a news conference to a way the conference to a way a rection of the food items that will contain the food items that will contain the

The sweetener is aspartame, a food additive approved last week by the Food and Drug Administration. Many believe the additive by the Food and Drug Administra-tion. Many believe the additive will eventually steal away much of the existing \$115-million annual the existing 5113-unmon demand for saccharin, currently demand for saccount, tourish the only substitute for sugar in the United States, and possibly conin the Central Sub vert some sugar users as well.

Executives at Death were cauproducer of asparance, were producer of asparance, were the second tions in their assessment of what the new product will do for the company.

Executive Comments

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I married to plant "We are very happy about as-partame," John Robson, executive vice president, said Thursday. But let's put this into perspective. Investment in research, expansion of our optical business and in our manufacturing plants form the

that aspartame will give Searle a surge in profits in coming years as it pursues a new course — the narrow, high-stakes road of a pharmacentical manufacturer

"Aspartame is going to be an important product for Searle," said John P. Curran, a health care analyst with Wood Gundy & Co.

Analysts Disagree

There is disagreement among analysts, however, as to its potential. The product has been approved only for use in dry products, such as cereals, chewing gum and powdered-mix beverages. Those products accounted for only \$30 million, or 26 percent, of saccharine use last year.

Aspartame loses its sweetness in bottled beverages after six to eight weeks of shell life, and exposure to extreme heat causes it to break apart in baked goods. Neil B. Sweig, an analyst with Shearson Loeb Rhoades, believes that aspartame will be hard-pressed to exceed \$50 million in sales.

Mr. Curran disagrees. He noted

tame-sweetened soda a week after

Searle has reported that Switzerland has approved the marketing of aspartame.

Searle expects to apply for beverage approval in the United States by early 1982. Ultimately, Mr. Curran said, aspartame could top \$800 million in annual sales.

It may be 1982 before aspartame is available across the United States because of limited production facilities, a company executive said. The company expects to add capacity to produce 500,000 pounds next year, and in a plant yet to be constructed will add about 4-million pounds of capacity by the end of 1983. Ajinomoto, a Japanese compa-

ny, manufactures aspartame for Searle for foreign distribution.

'More Expensive'

A company executive said that aspartame would be "more expensive" than saccharin, but declined to say by how much. Since 1965, Searle has spent \$70 million to de-

its own labs. The company has also sharply increased its research spending as it seeks to gain a foothold in applications of genetic en-Moreover, Searle sold in June

two parts of its medical products division, which accounted for \$210 million in sales last year. "Searle has assembled a good set of strate-gies," said Marsha H. Fanucci, an analyst at Arthur D. Little.

The company has been under the command of Donald H. Rumsfeld, its president and chief executive, since 1977. Mr. Rumsfeld was Secretary of Defense in the Ford Administration and before that had served four terms in Congress.

"With the sale of the medical products division, Rumsfeld has completely cleaned house," said Mr. Curran, the Wood Gundy analyst. "What remains are all money-making propositions." The medical products division had shown an operating deficit of about half a million dollars in 1980.

Searle's 1981 annual meeting that he would increase research spending "another 25 to 30 percent" this year. "We couldn't agree more with the drug analysts that our future is wrapped up in research," a Searle spokesman said.

Analysts expect that Searle's cond-quarter results, to be released on Monday, will show that its pharmaceutical husiness has re-

mained strong.

Last year, the company earned \$94.3 million, or \$1.78 a share, compared with \$89 million, or \$1.68 a share, in 1979. Sales rose to \$1.1 billion from \$898.4 million.

Two hypertension drugs, alvac-tone and aldacazide, have been Searle's main lifeline since the mid-1960's. They contributed 38 percent of Searle's 1980 pharmaceutical sales, which were \$589.5

The figure dropped from 48 per-cent in 1978, when the drugs lost their patent protection. And a Searle spokesman acknowledged that fading sales of the two drugs were likely to continue.

\$32.7 Billion in New Credits

Takeover Maneuvering Spawns

By Carl Gewirtz

PARIS - A staggering \$32.75 billion worth of loans are currently being syndicated for the North American takeover sweepstakes equal to 42 percent of the total amount of loans raised in the Eurocurrency market during all of

If nothing else, these operations bear testimony to how liquid the international banking community remains despite the very right monetary policy being administered by the U.S. Federal Reserve and most other monetary authorities around the world. The cost of money remains at a near-record high, but the availability appears to be undiminished.

For his part, Henry Wallich, a governor of the Federal Reserve Board, insists that "it's a mistake to add up \$32 billion and say this much money is being raised," cause only one of the many bidders for Conoco will actually succeed and the others will have no use for the credit lines, he said in a telephone interview.

"If the markets thought this very large sum were going to be extracted from them, I think you would see interest rate consequences. The market is not thinking that."

Crunch or Not?

Regarding the absence of a crunch, where credit ceases to be readily available, he said: "I don't regard that as a defect. A credit crunch is not a good thing for an economy - it's apt to produce a recession. And it means that resources are allocated not by price and productivity of the use that is made of the money, but by some sense of the fear and the malfunctioming of the system. "A lot of effort has been put

into trying to get away from mone-tary policy through crunch. I real-ize that there are some people who believe that it doesn't work without crunch. I think it can and does, It's a question of applying pressure steadily rather than in a crisis situ-

The companies involved in what one U.S. banker labeled "the most awesome bidding auction ever witnessed" include:

· Gulf Oil: \$6 billion, of which \$1 billion is for 12 years and \$5 billion is for four years. Interest on the 12-year credit will start at 1/2 point over the London interbank offered rate for the first five years. a half point over for the next three years and % point over for the rest. Unlike most of the other

blockbusters coming out of New York, lenders are not offered an option to base the interest charge on the prime rate.

The companion four-year credit gives lenders the option of setting the interest at the prime rate of lead manager Bankers Trust or % point over Libor.

For as long as the lending facili-ty exists but remains unused, Gulf

SYNDICATED LOANS

will pay banks a commitment fee percent for the first year and % percent for the following three years

 Mobil Oil: \$6 billion for eight years with interest set at % point over Libor for the first four years, a half-point thereafter. Banks also reportedly have the option of setting interest at the prime rate of lead managers Citibank and Morgan Guaranty Trust for the first four years, then at a % point margin over prime for the remainder. Mobil is also paying a quarter-per-cent commitment fee for the first cent thereafter.

Texaco: \$5.5 billion for eight years with interest based either on the prime rate of Chase Manhattan Bank (prime for the first five and prime plus 4 percentage point for the final three years) or the London interbank offered rate (with a margin of % point for the first five years and a half thereaft-

er). Texaco is paying a commit-ment fee of ¼ percent for the first six months and ¾ percent for the following 18 months.

• Marathon Oil: \$5 hillion for three years with lenders having the option of setting interest at the Chase prime rate or % point over Libor. Marathon is paying a 1/2 percent commutment fee for the first six months and h percent thereafter. Marathon has also indicated that the size of this operation

could be increased.

• Du Pont: \$4 billion for 10 years, offering prime rate for the first five years, prime plus % point for the next two years and prime plus % point for the final three years or % point over Libor for

(Continued on Page 9)

U.S. Money Supply Report Deepens Market's Woes

By Carl Gewirtz

nal Herald Tribune PARIS - The Eurobond market remained becalmed last week as investors waited for some clear sign of where interest rates are

The sign, to the grief of bond dealers, finally appeared late Fri-day in New York, when the Feder-

EUROBONDS

al Reserve reported that the M-1B measure of the money supply for the week ended Wednesday soared \$6.9 billion, well beyond the \$2-to-\$3-billion gain that had been widely anticipated.

Bond prices plummeted in late New York trading on the news. Treasury coupon issues were marked down from 1/2 to 11/2 points while bills fell 30 basis points on fears that the hoped-for relaxation of Fed monetary policy would not be imminent.

In his weekly Comments on Credit, written before the Fed data was released, Salomon Brothers economist Henry Kaufman noted that "market participants who

found some comfort from the slowing in economic activity and in inflation, now seem to view both as transitory. There seems to be a sense that tax reductions will be legislated soon, contributing to a pickup in economic activity. Moreover, market participants recog-nize that these developments have not been accompanied by an abatement in credit demands or by a substantial decline in carrying

Quick Relief Unlikely

He also noted that the latest news from the Fed was "not reassuring to a market looking for quick relief." Specifically, that the growth in M-2 and M-3 was already somewhat high relative to its targets for the year, that the Fed had indicated a willingness to accept a shortfall in the growth of M-1B, that it was stressing the need to reduce the growth of the monetary aggregates rather quickly and that economic demands would be quickly activated whenever interest rates declined.

Commenting on the latest more (Continued on Page 9)

Italy's ENI Counts on New U.S. Ties

ROME - Within two weeks Ente Nazionale Idrocarburi, Italy's state-controlled oil company, and Occidental Petroleum of the United States, plan to complete negotiations aimed at launching an unvasual transatlantic joint venture in coal and petrochemicals.

Some observers say that, if successful, the venture could evolve into the most important industrial pact of its kind since the end of World War II.

The agreement, which is expected to be announced in Rome by July 31, calls for the establishment of a jointly owned company called Enoxy. Capitalized at slightly more than \$1 billion, it will own and operate petrochemical plants in Italy and coal properties in the United States.

When Enoxy begins to take over the properties in the autumn, Occidental will wind up with its first and major position on the West European chemical market. For ENI, it means access to large amounts of U.S. coal and Occidental's worldwide marketing net-

But the deal has even wider implications for the Italian govern-ment, which is attempting to reduce the inefficiency and huge de-ficts of its state-owned companies.

Opposite Approach

"What we are encouraging ENI to do represents a new approach for the Italian government — internationalizing state companies, when appropriate, with American companies," said Gianni De Mi-chelis, Italy's Socialist minister for state participations.
He stressed that the approach

should be viewed in contrast to de-nationalization, under which the state is divesting itself of some of its vast holdings in industrial companies, such as Montedison, the

panies ing chemical giant.
"We are trying two parallel approaches — one affects state companies such as ENI, the other affects companies such as Montedison where we are letting the private sector work," Mr. De

He added that several partnerships were currently being negotiated between U.S. and Italian state-owned companies in the fields of electronics, acrospace and The state definitely intends to

keep its position in areas of strate-

gic interest, such as energy, while making the companies involved internationally competitive," he In ENT's case - as in Montedion's - the ontcome of the resun secturing is by no means assured. Politics and national economic strategy have always played a key role in the management of state-ownled companies. Often the goal

'Although we are diversifying our energy sources, much of the future investment will remain oil exploration and production,' says Chairman Bruno Cimino.



timated the plan will require in-

vestments during the next 10 years

totaling 64.1 trillion lire, or about

1.5 percent of the nation's gross

ENI, which is working closely with ENEL, the national electrici-

ty utility, in expanding coal use,

also expects to participate in con-struction of a new coal-handling

Energy Diversification

"The government through the companies it controls intends to be

an active partner in the energy diversification," said Mr. De Mi-

chelis, noting that of the 12 nucle-

ar plants approved in 1977, only two are being built.

ENI is by no means abandoning its historical raison d'être - ex-

ploring, developing and marketing oil and gas. These activities still ac-count for roughly 80 percent of ENTs sales and investments, while

contributing heavily to the company's impressive and growing cash flow — 1.8 trillion line last year on

consolidated sales of \$26.5 billion.

But ENI is not significantly in-

£Sterling: 1.2552 irish £

creasing its own supplies of oil

Last year the company handled 41

national product.

port at Trieste.

than profits. These companies have had their fair share of involvement in national political

"Montedison and ENI face similar problems ... in contrast to Italy's small, dynamic companies, the big companies traditionally have not done well," said Stuart Wamschemical industry analyst for Greenwell & Co., a London

brokerage firm.
Indeed, while chemicals account for only 8 percent of ENTs sales, they are continuing to generate growing losses — 300 million lire (\$248,100) last year.
One of the goals in the agreement with Occidental is to reverse

that trend. "Although we are still working out the details, access to ENI's chemical plants in coopera-tion with Oxy management is to develop that business profitably," said Zoltan Merson, chief of Occidental's chemical division and one of the key negotiators.

'Fresh Air'

The top ENI executives with whom we have dealings represent a breath of fresh air in the Italian situation," Mr. Merszei said. "ENI typifies the new approach to profi-tability and we believe it can

For ENI, the deal represents new access to U.S. technology.

"They have the hardware and the marketing skills internationally we are seeking "said Lorenzo Necci, 42, a key strategist who has been a member of ENT's executive com

mittee since 1975. Mr. Necci said that another cru
cial element in the agreement wa providing Italy access to Occiden tal's coal supplies. Several coal mines owned by Island Creek Coal, a subsidiary of Occidental, also are expected to come under ownership of the new joint compa-

The Italian government is deter mined to reduce its heavy depend ence on oil imports to 50 percent 1990 from the present level of percent. Increasing coal use in electricity generation and industrial uses is a key ingredient in the plan. The government recently esbeen to provide jobs rather

million tons of oil, but only 16.6 million tons of that came from its own production in Italy and in forcountries, representing a slight decline from the two previ-

ous years.
ENI spends roughly \$1 billion annually on oil and gas exploration worldwide and has no intentions of slowing down.
"ENI's past is tied to oil and al-

though we are diversifying our en-ergy sources, much of the future investment will remain in its [oil] exploration and production," said Bruno Cimino, who last month took over as chairman of Agip, ENI's oil and gas-producing affili-

Until his appointment, which was part of a major reshuffling of key jobs within ENL Mr. Cimino ran Snamprogetti, an engineering affiliate responsible for planning and building pipelines and turnkey plants. Those activities combined generated over \$1 billion in sales last year and contributed heavily

to profits.
"We are all part of the same team, aggressively building on energy," said Giovanni Molinari, chairman of Snamprogetti. He re-ported that his division is actively competing for contracts against U.S., Japanese and other Europe-an companies throughout the

Snamprogetti is also increasing cooperation with Technip of France in an area in which both companies are active — liquified natural gas. "We are often tied with them in bidding on LNG projects, notably in black Africa, where there is current expansion." said a Technip spokeswoman in

Meantime, ENI's pipeline-laying affiliate, Saipern, is in the final stages of completing construction of a 2,500-kilometer pipeline which is scheduled to begin transporting Algerian natural gas to northern Italy via Tunisia in the autumn.

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CURRENCY RATES

Interbank exchange rates for July 17 1981, excluding bank service charges. E DAL F.F. M.L. Glar.

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NEW ISSUE

These securities having been sold, this announcement appears as a matter of record only.

U.S. \$30,000,000

ZENTRALSPARKASSE UND KOMMERZIALBANK-WIEN



Floating Rate Subordinated Notes Due 1991

Credit Suisse First Boston Limited

S. G. Warburg & Co. Ltd.

Bank of Tokyo International Limited Den norske Creditbank

Kredietbank

Manufacturers Hanover Limited

County Bank Limited

Kuwait International Investment Co. s.a.k.

National Bank of Hungary

Alahii Bank of Kawait K.S.C.

Chemical Bank International

Creditanstalt-Bankverein

Dense-Bank AG

LTCB International

Samuel Montagn & Co.

Nomes International

Svenska Handelsbanken

The Nikko Securities Co., (Europe) Ltd.

The Royal Bank of Canada (London)

Société Générale de Banque S.A.

A. E. Ames & Co.

Algemene Bank Nederland N.V.

American Express Bank Banca Commerciale Italians

Bank of America International Bank der österreichischen Postsparkasse AG Banque Française du Commerce Extérieux

Renone Nationale de Paris

Ranque Arabe et Internationale d'Investissement (S.A.I.I.) Banque de Paris et des Pays-Bas

Barclays Bank Group Banque de l'Union Européenne Caisse des Dépôts et Consignations Bayerische Landesbunk Girozentrale

Copenhagen Handelsbank A/S

Credito Italiano

Christiania Bank og Kreditkasse Crédit Commercial de France

Credit Suisse First Boston (Asia)

Ghozentrale und Bank der österreichischen Sparkassen Inter-Alpha Asia (Singapore) Kuwait Foreign Trading Contracting & Investment Co. (S.A.K.)

Merrill Lysch International & Co. Midland Doherty Morgan Grenfell & Co.

> Nippon Credit International (H.K.) Ltd. Nordic Bank Orion Bank

> > Swiss Benk Corporation International

J. Vontobel & Co.

Westdestsche Landesbank Girozentrale Williams & Glyn's Bank **JULY 1981**

(Founded as a savings institution by resolution of the City Council of Vienna)



Crédit Lyonnais

National Bank of Abu Dhabi Yamaichi International (Europe) Limited

Arab Banking Corporation (ABC) **Backe Halsey Stuart Shields** Bank Brussel Lambert N.V. Bank für Arbeit und Whitschaft AG

> Bayerische Hypotheken- und Wechsel-Bank Cazenove & Co. Chase Manhattan Clariden Bank Citicorp International Group

Die Erste österreichische Spar-Casse Daiwa Europe Antony Gibbs & Sons, Ltd. nschaftliche Zentralbank AG Istituto Bancario San Paolo di Torino Hill Samuel & Co.

Kleinwort, Benson Kidder, Peabody International Lloyds Bank International Kawait Investment Company (S.A.K.) Mitsubishi Bank (Europe) S.A.

> Morgan Stanley International Morgan Guaranty Ltd Nippon European Bank S.A. Österreichische Länderbank

J. Henry Schroder Wagg & Co. Skandinaviska Enskilda Banken Société Générale Samitomo Finance International

Wood Gundy

International Bond Prices - Week of July 16

	RECENT	IS	SUE	S		Amt	Security	•	24.4	Middle Price /	Yield-	<u> </u>	Amt	Security	~	Mat	Middle Price M	field—Ave	Cun
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A CONFERENCE SPONSORED BY THE INTERNATIONAL HERALD TRIBUNE AND THE OIL DAILY LONDON, SEPTEMBER 28 & 29, 1981

Londan

Sheikh Ahmed Zaki Yamani, Minister of Petraleum and Mineral Resources, Saudi Arabia, will be the keynate speaker at the secand International Herold Tribune/Oil Daily conference an "Oil and Money in the Eighties," to be held September 28 and 29 at the Royal Garden Hatel in London.

James B. Edwards, U.S. Secretary of Energy, will apen the second day of this international meeting with an address an the Reagon administration energy policy.

Designed to help senior executives involved in energy, finance and closely related fields to determine their business strategies far the 1980's, this two-day warking conference will include major sessions on the following subjects:

- the supply-demand autlook - how to finance future ail praduction
- the impact of politics on future oil flows
- alternative energy resources.

A panel format will be used extensively to stimulate exchange among all participants and produce fresh insight ond recommendations an what must be dane now. Speakers will include:

- Nordine Ait-Laoussine Director, The International Energy Development Corporation, Geneva, and former Vice-President of Sonatrach

- James Akins, former U.S. Ambassador to Saudi Arobia

- Jane Carter, Head of Conservation, U.K. Department of
- Arthur Eschenlauer, Seniar Vice President, Morgan Guaranty Trust Company of New York, New York

 - Poul Fronkel, President, Petraleum Economics Ltd.,
- Herman Franssen, Chief Economist, International Energy
- Agency, Paris

 Rolf Roger Jokisch, Managing Director, Ruhrkohle International GmbH, Essen

 Jahn Lichtblau, Executive Director, Petraleum Industry
- Research Faundation, New York Froncisco Parra, Executive Director, International Energy
- Development Carparation, Geneva Malcalm Peebles, Director, Finance and Plonning, Shell
- International Gas Ltd., Landan Jean-Jacques Servan-Schreiber, author of "The World
- Challenge George J. Stathokis, Vice President and General Manager, International Trading and Construction Division, General Electric Company, Westport, Cann.
- William P. Tovouloreas, President, Mabil Oil Carparation, New York.

To register for this timely international conference, simply complete and return the registration form belaw.

CONFERENCE REGISTRATION

Please enroll the following participant for the IHT/Oil Daily Conference, September 28 and 29. 20-7-81 Surname

First Name **Position**

Company **Address**

Telex Telephone Fees are payable in advance of the conference. Each participant: £375

or the equivalent. This includes all refreshments, lunches, and post-conference documentation. Fees will be returned in full for any cancellation that is postmarked on or before September 11.

☐ Please invoice RETURN TO:

City/Country

□ Check enclosed

The International Herold Tribune Energy Conference 181 Avenue Charles-de-Gaulle, 92521 Neuilly Cedex. France. Tel.: 747-12-65 extension 301.

HOTEL RESERVATION

Please reserve for the nights of September 27 and 28 the accommodations checked below:

☐ Single occupancy (£41 per night)

☐ Double occupancy(£48 per night) Reservations must be received no later than September 18, and accompanied by a check for the first night.

Surname First Name

Сотралу Addresss

City/Country Telex Telephone

Ms. Liz Jackson, Reservation Department Royal Garden Hotel, London W8 4PT, England. Reference: Energy Conference.

\$ 20

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DM STRAIGHT BONDS

(Continued on Page 10)

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Wesideutsche Landesbank, Head Office, P.O. Box 1128, 4000 Dusseldorf F. Telephone 8263122 - Telex 8581881; International Bond Trading Dept. Telephone 8263741 - Telex 8581882; International Investors Dept.

Takeover Maneuvering Generates \$32.7 Billion of New Credits

(Continued from Page 7)

the first five years, a half over for the next two years and % point over Libor for the final three years. On Pont is also paying a quarter percent commitment fee for the list six months, rising to % per-

· Atlantic Richfield: \$650 mililon for 12 years, offering prime plus 4 point for the first four years and prime plus half a point thereafter (or alternatively, % point over the adjusted 90-day rate for certificates of deposit for the first four years before rising to % point) or half a point over Liber for the first four years and % point thereafter. It is paying a quarter-point commitment fee for the first

Pennooli Move

In addition, only skimpy details were yet available on the \$2.5 biltion Pennzoil is raising under the aegis of Citibank (reportedly for nine years). Pennzoil is said to be

insisting on retaining for itself the bankers have elicited specific option of deciding whether interest wording from Texaco, and by is based on prime or Libor — a inference the others as well, that move tenders are resisting. Cities Service is arranging a \$1-billion loan with Citibank and Morgan Guaranty, but no details were immediately available.

At the same time, Canadian Development Corp. has increased to \$2.1 billion from the initially indicated \$1.75 billion the amount it is raising to finance the purchase of Aquitaine of Canada from Elf Aquitaine of France, which is using the proceeds to buy Texasgulf.

What Is 'Friendly'?

It is true that many of these loans may never be drawn if, as reported or assumed, Du Pont, Mobil, Texaco and Gulf are all building the cash occded to take over Conoco. On the other hand, there is oothing to stop the losing Conoco suitors from using the funds to launch other takeovers.

It is of some interest, then, that

in the current transactions refused to divulge the specific wording they elicited from the borrowers or explain how they defined "friendly."

"friendly" takeover.

opposed the bid

Bankers Leery

sought from Seagram when it put together a \$3-billion war chest last

syndication — fearing they could find themselves financing the take-over of an important client who

Unfortunately, bankers iovolved

Such assurances had been

The other transactions currently under way appear minuscule by

comparison. Exxon is in the market seeking

Less well received was the European Investment Bank's \$150-mil-

ion, eight-year issue. This offering

is being made on a classic basis, with the issue price to be set "real-istically" in light of market condi-

tions on July 22. The indicated

notorious for squeezing every pos-

sible penny out of the pricing and

what it and its lead manager Un-

ion Bank of Switzerland deem "re-

alistic pricing" risks to be far away

from what most potential pur-

New York, dealers in London were

saying the EIB issue would have to

yield 15.7 percent to appeal to investors — implying an issue

price of 981/2 for resale to big inves-

tors at a selling concession of 1

& Steel Community together ac-

\$75 billion worth of straight dollar

denominated Eurobonds, accord-

ing to the latest issue of Hill Samu-

el's International Bond Quarterly.

The EIB and the European Coal

Before the late Friday rout in

The problem is that the EIB is

coupon is 15 percent.

chasers view as realistic.

to finance an electricity project in Hong Kong. Under the acgis of Ci-tibank, the oil giant is raising \$300 the money will only be used for a million for 12 years, with interest set at % point over Libor for the first four years, a half-point over Libor for the next four years and % point over Libor for the final four years. A companion £800 million, guaranteed by the U.K. export credit agency, is for 21 year. When it refused to be tied down, Bank of America, Chase Manhattan and Morgan Guaranty Trust refused to participate in what then was the largest ever loan years with interest set at % point

Occidental Petroleum is restructuring \$300 million of outstanding bank debt into a new seven-year loan with interest set at a split 1/2-% point over Libor. Swiss Bank Corp. is organizing the operation, which will be a "club" deal only including banks having loans to

Brazil Back

Brazil is raising \$400 million for the Itaipo Binacional bydroelectric project with Paraguay, up from the originally proposed \$300 million. Lenders have choice of an eight- or 10-year maturity. The increase in the amount and the inclusion of a to-year element, the first in over a year for Brazil is being taken as a sign that the country — one of the most heavily endebted — is back in favor with the banks.

Interest on the \$340-million, eight-year portion will be set at 2% points over Libor or 2 percentage points over the prime of lead manager Morgan Guaranty Trust. The interest on the \$60-million, to-year portion is set at an eighth of a point bigher.

Public Power Corp. of Greece is seeking \$250 million. Of this, \$220 million will be syndicated as a 10year loan bearing interest of 7/16 point over Libor for the first two years and a half point over thereafter. Managers underwriting \$10 million will earn participation fee of 3 percent on their takedown and 1/16 percent on their sell-

The remaining \$30 million in

at 437.74 yen per pound.

International institu-

tions..... Industrials, long term....

Industrials, medium term

Canadian dollars, medi-

Unit of acc., long term

Eurocl.

The seven-year issue of 20 mil-tion Units of Account for Elsam,

the Jutlaod-Funen Electricity

Commission, was priced at 99 bearing a coupoo of 11½ percent to yield 11.72 percent.

Eurobond Yields*

Week Ended July 15

Market Turnover

Week Ended July 17

Gold Options (prices in S/ or.)

440 | No.

20 50 750 500 100 500 200 1

Valeurs White Weld S.A.

Total Dollar Equivalent N.A. N.A. N.A. S,268.8 4.986.5 282.3

13.85 %

nese banks in the form of a 12-year floating rate note with interest set at a quarter-point over Libor. However, front-end fees and commissions lift the yield to the lenders to the level paid on the syndicated loan. The Japanese purport-edly want "marketable securities" to skirt some of the restrictions that apply to the participation in the syndicated market.

Ansett, the domestic Australian airline guaranteed by the govern-ment is raising \$195.8 million to finance the purchase of aircraft. The loan will be divided into two parts, one for six years and the other for to years. The amounts for each portion have not yet been specified. Interest on both will start at a quarter-point over Libor for the first three years, rising to % point over Libor thereafter. Credit Commercial de France is lead

Korea Electric Co. is in the market for \$200 million. Interest on this to-year loan will be set at %

JAPAN PACIFIC FUND

Société Anonyme Luxembourg, 37, rue Notre-Dame R.C. Luxembourg B8340

Notice of Meeting

Messrs. Shareholders are hereby convened to attend the Extraordinary General Meeting which is to be held on July 29, 1981 at 11.30 a.m. at the offices of Krediethank S.A. Luxembourgeoise, Luxembourg, with the following

Amendment to the first sentence of Article 8 of the Articles of Incorporation, in order to change the date of the Annual General Meeting of Shareholders to the third Wednesday of June at 3 p.m.

Resolutions to be taken at the Extraordinary General Meeting will require a quorum of at least one half of the shares issued and outstanding and, in order to be valid, resolutions must be taken at a 2-3 majority of the shares present or represented at the Meeting.

U.S. Money Supply Figures Send Debt Market Reeling

ey supply data, David Jones of Au-brey G. Lanston & Co. told Renters that the latest rise in M-1B brings its growth rate in line with the Fed's longer-term growth tar-gets, after having been well below the target last month. "This will take away any incentive for the Fed to ease, and will limit the extent of further Fed easing actions."

The Fed's objectives should become clearer this week when Chairman Paul A. Volcker presents his mid-year review to Congress. In addition, markets should get some direction from the economic figures to be released. Data on second-quarter gross national product is to be reported Wednesday and forecasts range from a dedine of up to 2 percent on an anmahmed basis to an increase of 1 percent following the rapid 8.6 percent growth in the first quarter.

Money-Market Fund

Investors who are tired of trying to oniguess where rates are headed and eager to put their money into a money-market fund may be in-

fund based in Enrope is currently being launched. European Banking Co., which is owned by seven major international banks, is offering shares of A and B units of its In-

Unit A will be invest only in dollar instruments having a maximum maturity of 12 months. Unit B will invest in similarly shortdated instruments but the currency composition will be a cocktail — currently 59 percent dollars, 15 percent Deutsche marks, 13 percent yen and 13 percent Swiss francs. The composition of the cocktail will change from time to

The units are being sold for \$1, with a minimum investment of \$1,000 required. Valuation will be made daily and three days' notice

is required for redemption. In the bond market, only three issues were announced last week, with IBM World Trade Corp.'s \$60-million, four-year offering the biggest success. The notes, priced at par, bear an annual coupon of 14% percent and were quoted on a

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fixed time deposits.

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heire

Write to Manager for further information.

ternational Income Fund.

time, as EBC sees fit.

when-issued basis at issue price.

DOLLAR (Com.) 19

PESETA (Span.) 20

FRANC (Swies)

DOLLAR (U.S.) 18,50%

STERLING 15, 75%

FRANC (French) 16,50%

MARK (Devisch) 12,75%

NO TAX

Struits Building Society Lighthouse Development

The EIB has \$4.4 billion ontstanding against \$2.02 billion for the ECSC. Noting "investor resistance over the increasing amount of debt incurred by these borrowers," Hill Samuel advised readers that "these concerns are, in the main,

unfounded in an economic sense." Issues of both "remain highly se-cure and there is no tangible evidence ... that either is any less credit worthy now than in the past." The U.K. investment bank further notes that "the large number of their issues outstanding can only help in an active portfolio management program."

Slow Moving

Also moving slowly was the \$50 million for APS Finance Co., gnaranteed by Arizona Public Service Co. The seven-year issue is expected to carry a coupon of 16 percent percent.

be moving slowly because the middle of the indicated 6-to-8 pername is not well known to the cent, and the bonds are convertible

In Singapore, the Commercial price of 696 yen. The exchange Bank of Korea Ltd. is raising \$20 million through an issue of threeyear floating rate certificates of deposit. Interest will be set at a quarter-point over the Singapore interbank offered rate for six-mooth dollar deposits.

A oumber of issues were priced last week. The coupon on the \$40million, 15-year convertible for Dai Nippon Ink & Chemicals was set at 6 percent as indicated with a conversion price of 282 ven. The exchange rate was fixed at 229.1 ven per dollar.

Toyo Menka Kaisha's \$30-million, 15-year coovertible, sold at par bearing a coupon of 6% per-cent, down from the initially indicated 61/2 percent. The paper is convertible into the trading company's Tokyo shares at 218 yen, representing a premium of 2.8 percent. The exchange rate was fixed at 230.60 yen per dollar for the life

Convertible Reduced

The 15-year convertible for Texas General Resources was reduced to \$12 million from the initially planned \$15 million. Priced at par, the issue bears a semi-annual coupon of 101/2 percent. The conversion price was fixed at \$28.50. representing a premium of 14 per-

Northwest Energy's 15-year is-sue, convertible either into common stock or into a fixed rate bond, was cut to \$40 million from the originally envisaged \$50 million. The coupon on the convertible was set at a semi-annual 9 percent. The bonds can be converted into shares at a price of \$24%, a premium of 18.3 percent. The fixed rate coupon was set at 16%

The coupon for Seiyu Stores

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P.O. Bast 363 - Gibrolia with the issue price to be set in The coupon for Seiyu Stores light of market conditions on July Ltd.'s £15-million, 15-year convert-

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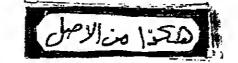
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Manufacturers Hanover Limited



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IMF Report Puts Stress On Problem of Inflation

(Continued from Page 7) rather grim. Under the best of circumstances, "medium-term prog-ress in reducing inflation is likely to be slow." The most bullish statement the authors can spare is tepid: "One could envisage ... an environment conducive to sustained long-run growth in the in-

dustrial countries would have been restored." The implications of what it calls (optimistic) Scenario A "are not lavorable for many developing countries that are net oil importers, but the implications of Scenar-io B are considerably worse." It notes that a key assumption of Scenario A "is that the non-oil devalcping countries implement comprehensive programs of adjustment" to reduce imports and in-

crease exports. Even so, the report sees these countries running a current-ac-count deficit of \$140 billion by 1985, up from an estimated \$96.5 billion this year, necessitating a marked increase in their net exter-

nal borrowing.

Net external borrowing is estimated to "nearly double" from 1980 to 1985 for the net oil exporters (basically OPEC), the major exporters of manufactures (Brazil, Greece, South Korea, Portugal, Singapore, Yugoslavia, among others) and the low income countries (such as Bangladesh, China, India, Senegal and Viet Nam). Borrowing by the non-OPEC net oil exporters (Mexico, Gabon, Ecuador, Egypt and Peru, among others) is expected to increase by about 50 percent.

Disturbing Prospects

"The medium-term prospects for low-income developing countries "are, to say the least, disturbing," the report states. Many will face difficult adjustment and fi-

Consolidated Trading

Of AMEX Listings

Week Ended July 12, 1961

Consolidated Trading

Of NYSE Listings

Week Ended July 17, 1911

50% 44 50 211/2 2174 31 56% 55% 55% 21% 20% 21%

214,870,800 shores 227,610,000 shores 262,450,000 shores 4,614,451,250 shores 4,178,700,000 shores 4,178,700,000 shores

nancing problems."

Although developing countries "have on the whole managed to sustain economic growth without excessive increases in their ratios of debt or debt service payments to exports of goods and services there is cause for real con-

"The major reason why their debt situation remained generally manageable through the end of 1980 was the large negative real interest rates that they experienced in the past several years," During 1974-79, the study notes, their nominal interest rate was 51/2 percent, while the increase in their export prices averaged about 15 percent a year.

"With the big increase in real interest rates that occurred in world financial markets in 1980-81 (and

which may persist over the next few years), and with the gradual change in the structure of debt commitments ... toward debt contracted at market related interest rates, ... the size of the real debt service burden ... is bound to grow more rapidly than in the past."

In addition, the IMF staff is worried about the "sharp increases in the relative importance of net. short-term debt" of these countries.

"Although such liabilities can sometimes be disregarded in analysis of outstanding debt positions because of the imminence of re-

vailing suggest a likelihood that a considerable proportion of the current short-term obligations may soon be transposed into longerterm financing. Indeed, there is a danger than transformation in some cases might take the form of

arrears in settlements." The IMF estimates that the long-term external debt of the non-OPEC developing countries will total \$452.2 billion by the end of this year, up from \$370.1 billion a ago and \$97.3 billion in 1973. The IMF estimates 40 percent of the year-end total will be owed to official creditors. Of the remander owed to private creditors, 17 percent is unguaranteed debt.

Developing countries in the Western hemisphere are estimated to owe 38 percent of the total debt while countries in Asia owe 22 percent and developing countries in Europe owe 13 percent. Looked at from the point of view that most of the debt is held by countries that theoretically should be able to repay it, the major exporters of manufactures hold 35 percent of exporters hold 20 percent of the total. the debt while the non-OPEC oil

The report notes that interest payments of these countries this year are projected to absorb about.

7 percent of export earnings, compared to 4½ percent in the earlyto-mid 1970s, and concludes with the dry statement that "increa numbers of these countries are now encountering debt servicing difficulties."

A final item of some interest is the staff comment in the survey on Japan: that-sthe projected real growth rates of 4 percent this year and 5.4 percent next year are based on an assumption that there will be, in addition to the agreed limits on automobile exports to the United States, some voluntary restraint on the part of Japanese exporters to avoid excesive trade frictions in 1981 and

East Germany Says GNP Rose

BERLIN - East Germany Satrday published figures showing that the economy is continuing to Figures from the Central Statis-

tics Office showed the gross national product was 5 percent higher than a year ago, putting it out-target to fulfill the 1981 plan. Industrial production was also

on target for reaching its planned 5.8 percent growth this year, with costs so far held just below planned expenditure forecasts, it

Last year, was the first time since 1975 that East Germany had met its own economic targets.





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U.S. \$50,000,000. FLOATING RATE NOTES DUE 1991

For three months, July 15, 1961 to October 14, 1981, the notes will car-y an inscress rate of 19% per annum. The interest due October 15, 1981 against coupon o'9 will be U.S \$48.56 and has been computed on the actual number of days elapsed (92) divided by 360.

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BBC WORLD SERVICE

Western Europe: 648KHz and 463M Medium Wave. 5.973, 4,050, 7,120, 7,185, 7,253, 9,416, 9,750, 12,895 and 15,670 MHz in the 49, 41, 31, 25 and 19 meter bands.

East Africa: 1413KHz and 212M Medium Wave. 25.450, 31.460, 17.865, 15.420, 11.860, 9.580, 7,128 and 6.005 AUTz In.the 11, 13, 14, 19, 24, 25, 31, 42 and 47 meter bands.

North and North West Africa: 25.430, 21.470, 15.070, 11.750, 9.410, 7,130 and 5.975 KHz in the)1, 13, 19, 25,

Middle East: 1323KHz and 227M, 413 KHz and 212M or 639KHz and 469M Medium Wave. 25,450, 21,716, 17,776, 15,516, 11,760, 9,416, 7,146, 6,180 and 1,778 MHz in the 11, 13, 14, 17, 25, 31, 42, 47 and 75 motor bunds.

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ddie East. KHz 15,285, 11,925, 11,740, 9,760, 7,290, 4,040, 1,260 in the 19,7, 25.5, 30,7, 4),7, 49,7, 275 meter

Fost Axis and Pacific: KHz 17.530, 17,740, 15,290, 11,740, 9,770, 24,000, 4,110 and 1,575 in the 14, 14.5, 19.4, 55,307, 11.5,49.2, 790 meter Bonds.

South Asia: KHz 21,540, 17,740, 15,205, 11,925, 9,740, 7,105 in the 12.9, 14.9, 19.7, 25.2, 20,7 and 42.2 meter conds.

Africa: KH2 26.040, 31.660, 17.670, 15.330, 11.915, 9.530 7.280, 6.125, 3.990 in the 11.5, 13.8, 16.8, 19.6, 25.2, 31.5,

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THIS BUTTERFLY LANDED

ON MY NOSE, SEE ...THEN IT SUDDENLY TURNED INTO

AN ANGEL AND FLEW AWAY

MARCIE SAID SHE SAW IT!

DAD, CAN I HAVE THE

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By Eugene T. Maleska

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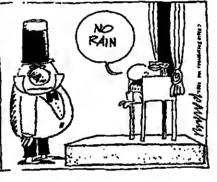








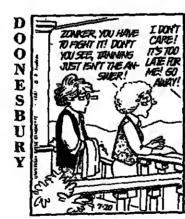














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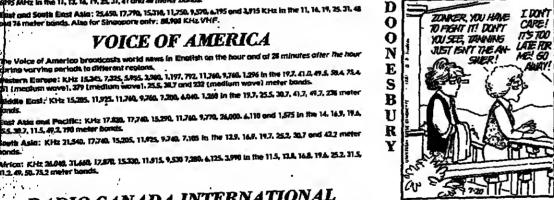
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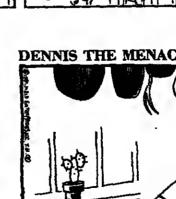
Saturday 5



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Registered as a newspaper at the Past Office'
"Printed in Great Britain"

Answer: Where to buy some equipment to prevent . skidding -- AT A CHAIN STORE





"IF I EVER GET MARRIED, WILL YOU COME AND COOK FOR ME

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WHAT

NOISE?

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THE MAGICIAN AND THE CINEMA

By Erik Barnows, Illustrated, 128 pp. \$12.95.

Oxford University Press, 200 Madison Ave., New York 10016.

Reviewed by John Leonard

EVERYBODY remembers his or her first magic show. Mine was in a garage, in the dark. I passed out bowls of peeled grapes and described them as the devil's eyeballs. After that, by the light of a lantern on a wall of cioder blocks, there were card tricks and some piecens we pretended tricks and some pigeons we pretended to decapitate. The attraction of magic. to the amateur magician, derived from the fact that it wasn't magic at all, it vas science in the service of illusion. Having sent in the magazine coupon and received our kit, we knew how everything worked toward achieving the ecstatic gasp.

Erik Barnouw is chief of the motion

picture, broadcasting and recording division of the Library of Congress, a very long joh description. He is also the author of the definitive history of broadcasting in the United States, which is available in three volumes, and one distillation. According to his new book — really an elegant essay with marvelous illustrations — the magicians of the 19th century, enthralled by the science of optics, photography and electricity, opened the door to motion pictures and thereby rendered themselves obsolete. Any amateur with a pair of scissors can cut and edit a strip of film in order to make a woman vanish, sever a head, burn a body down to the skeleton and reverse time. Talent went out of style.

Understanding the Possibilities

These magicians, in an age of sci-nce — Robert-Houdin, John Nevil Maskelyne, Etienne Gaspard Robert-son, Paul de Philipstahl, Emile Rey-oaud, Georges Méliès, Felicien Trewey, Louis Lumière, David De-vant, Carl Hertz and so on all the way to Harry Houdini — were acquainted with magic lanterns. They immediately understood the possibilities of limelight. They huilt robots and dioramas. When someone like Thomas A. Edison or Robert W. Paul came along the magic makers pounced on their new technology. After flip cards and shadowgraphy, after the peep show and the animated cartoon, why not D.W. Griffith? Their business, after all, was the projection of images on smoked or waxed gauze or nitrate stock or credulous minds. They never made a secret of the fact that they had secrets, none of which was supernatu-

Three things happened when the magicians discovered the technology of motion pictures. First, they distributed an appetite for that technology throughout the world on their grand tours to such exotic climes as Borneo and Baltimore. Next, they made mov-ies themselves — Houdini did a doz-



en, filming his favorite tricks --- : spliced those movies into their perf mances on stage. Finally, they fou that their audiences wanted the m ies more than they wanted the ma cians. People either didn't beli Houdini when he said that his tric oo film, were real, or they didn't ca Illusion became big business, and magicians were out of work. Barnouw's unfailing grace ser the reader well. As in "Tube of Pl

ty," he makes the technology sou simple. His character sketches trigue and disarm. He is as at ho with corporate bugger-mugger as w two-minute reels like "How Girls to Bed." He is suggestive with being bortatory, which may be the ginning of a definition of the civilization intelligence. His digressions, moreover, are

least as interesting as his thesis leaves us to nibble on a oumber wonders, like rabbits trapped in lof hats. Throughout the 19th centumagicians specialized in expositions charlatans — whether they we mediums, spiritualists or missionar - who, employing tricks, insisted t the illusion was real. (Even loday, Amazing Randi will take oo Geller, anytime, anyplace, to be some spoons.) The parapsychologinjured them in their profession pride. And yet ghosis were an impensable item in their repertory. spectral or macabre was the pool t paddled in." Always, it was the "la who vanished or was burned al Barnouw speaks of this "persistent mance with ghouls" and the sacrif of women, meotions Freud once : moves on, shaking his head.

Persocally, I wish the Amaz Randi would go down to Durha N.C., and sweep the witches out Duke with a 19th-century broom. also like a little more thinking ab the relations between magic and er ic anger. The movies haven't gro

However, for every wicked with there is, in the culture, a black ma cian, an alchemist, a Flying Dut man, a Dr. Strangelove, a Vinc Price, The scientist, like the magic possesses secrets. A secret — exper is somehow perceived as a democratic, and therefore ought to unnatural. We have come a long to from Prometheus to Faust to Fra enstein. And even Frankenste monster is now a joke. Barnouw reinds us of "The Four Troubleso Heads" (1898), in which a conju-punishes three of his own seve heads because they sing out of tu he hits them with a banjo.

This book, at once scrupulous a provocative, reminds us of two hal of mind we seem to have misplaced innocent wonder and an apprecial of practical brainpower, Peeled graare out and LSD is in. (Again, alas we laugh at Frankenstein, we is laugh at Bambi. We are more inclito shrug than we are to gasp. Isn't erything a trick? Am I putting oo? Of course not; you wouldn't Hit me with a banjo.

John Leonard is on the staff of New York Times.

CHESS.

A NATOLY KARPOV has got it all backwards. When the world champion fails to take first prize home to the Soviet Union, that's an occasion. But when he achieves another triumph, it's taken for granted.

Of course, it's his own fault. In winning all but two tournaments since his successful title defense against Viktor Korchnoi of Switzerland in the Philippines in 1978, he has blimted us to a real appreciation of how difficult it is to attain such marvelous consistency. To see what he is up against, one

has only to play over one of his rare losses to a rival like Vlastimil Hort, a Czech grandmaster. Karpov went astray in the early middle game of his encounter with Hort in the IBM International Tournament in Amsterdam and had no chance to recover in the face of the Czech's trenchant decisive tactics.

The Tartakover system of defense, 7... P-QN3, with the plan of a later. P-QB4 to establish parity in the center, strives for untrammeled piece play, possibly at the price of some looseness in the center pawns. In recent years, Karpov has been one of its strongest advocates. When White delays an exchange in

the center until 9 PxP, as Hort did here, Black's safest course is to simplify by 9 . . . NxP; 10 BxB, QxB; 11 NxN, BxN, but Karpov kept the game complex with 9 . . . PxP. What defensive alignment would

have been best after 12 Q-B2, bearing in mind that Black must maintain protection of his center pawns and find a secure development for his queen? On 12 . . . N-K5; 13 BxB, QxB; 14 PxP, NxN (14 . . . N/2xP may be better, but it leaves an isolated QP); 15 QxN, PxP; 16 Q-R3!, KR-B1; 17 R-B2, Black has to worry about his QBP's coming under attack by 18 R/1-B1 and either 19 N-Q4 followed by 20 N-N3 or 19 N-K1 and 20 N-Q3.

BxB.

The champion had to play either 17...QR-K1; 18 BxN, NxB; 19 P-K4, PxP; 20 NxP, P-QN4; 21 P-Q5, Q-N3; 22 P-Q6, B-Q1; 23 P-Q7, R-K3 with an advanced passed pawn to contend with or 17 . . . P-KN4: 18

By Robert Byr.

Position after 17. . . B-N5

B-N3, P-N5; 19 B-K2, P-QN4, wt loosens his king position but d guard the center and mobilizes queenside pawn prepooderance. Instead, be erred with 17... N5?, permitting Hort to smash center with 18 NxP!, NxN; 19 Q and forcing recovery of the sacrifi knight.

After 20 . . . QR-B1, Hort through the defense with 21 P-QN after which 21 ... Q-N4; 22 PxP, R5; 23 R-R1, B-R6; 24 B-K7 wc win heavy material. Thus Karpov to suffer 21 ... PxP: 22 RxR, R. 23 QxPch, K-R1: 24 BxP, yield White a pawn and tremendous adv tage in mobility.

Hort's pin with 25 B-K6! had cost Black more material six ... R-B2? allows 26 Q-N8ms After 25 . R-B1, the Czech gra master did oot give Karpov unner sary chances by 26 QxN, Q-KR4!, finished oeatly with 26 BxN! (point was that 26 . Q-K7; 27 N3, B-K2; 28 P-R3, BxPch; 29 B RxB; 30 B-B6 puts Black a pidown with no real couoterplay, will 26 . . RxQ; 27 BxQ, PxB; 28 R-R-R2; 29 P-N4, R-R5; 30 B-Q8 co Black a second pawn.

Accordingly, Karpov gave up.

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TENNE WA

A 10 March 19 Company The state of the s



Bill Rogers, en route to victory and the 18th green at the British Open.

Rogers Rules Brittania by 4 Shots

The State Beach Open

From Agency Dispatches
SANDWICH, England — Bill Rogers scored consecutive birdies to recover his momentum during Sunday's final round, and emerged with a 71 and a four-stroke victory n the 110th British Open Golf Champion

The 29-year-old Texan won the first major utile of his seven-year pro career with a 276 total, four shots under par on the 6,829-yard Royal St. George's Golf Club links. The victory was worth \$50,000 from the total purse of \$400,000.

Rogers, runner-up in the U.S. Open las month, had a five-stroke lead when the final round started, but had it dwindle — mostly through his own botched efforts — to a singie shot after only seven holes of the final

Most of Rogers' trouble came on the 529-

yard, par-5 seventh.

Normally one of golf's most accurate players, Rogers had played shakily in the early going, missing two greens and two fairways over the first six holes. On the seventh, he drove into the rough, put his second on the bank of a bunker, hit his third far to the right of the green (and over the heads of gallery), was short with his pitch from the deep rough, chipped to within four feet, and

Jumpy and Antsy

It was a double bogey 7, and cut his margin to one stroke over young Bernhard Langer of West Germany, with Ray Floyd only two back.

And collapse is certainly not foreign to Rogers. Indeed, his friends call him "panth-"That's 'cause I've always been kinda jumpy and antsy ... Always movin' around ... Never wanna miss anything," Rogers said sheepishly. "If it looks like I don't have nerves out there, well, it's a show. I got 'em. I just been hidin' 'em."

But his problems through the first seven boles, really, were the only major drama of

"I would dearly love to walk up there with things in hand," Rogers had said Saturday after opening rounds of 72, 66 and 67.

In trying to get things in hand, Rogers settled down: he made par on the next bole, then birdied the 9th and 10th. He was in command again, and the man inevitably dubbed "Buck" hy his fellow pros on the U.S. tour, was in control the rest of the way as the principal challengers - Langer Floyd and Mark James - began to fall

Indeed, Langer, 23, has laid claim to being the youngest man ever to have a fullblown case of the yips ("It lasted four years"), and James constantly toys with his stroke ("Bad putters tend to change their

Langer, the son of a Munich bricklayer, took second with a par-70 final round and a 280 total. It was the best finish ever recorded by a German in one of the Big Four golf

James, a laconic British regular on the European tour, and Floyd shared third at 83. James shot a 73 and Floyd had a 70 in the chilly, hreezy weather.

Sam Torrance of Scouland, benefitting from a bole-in-one on the 16th, managed to get in st par 70 despite a double bogey on the last hole and was alone at 284. Bruce Lietzke, Rogers' college roommate at the University of Houston, and Manuel Pinero

of Spain were next at 285, Lietzke, also a three-time winner this season, shot a closing 69 and Pinero had a 70. Ben Crenshaw was perhaps the most dis-appointed golfer at the event after he virtu-

eliminated himself with a third-round 76 that put him at 286 for the tournament.
It always seem to play my worst on the best days," said the disconsolate Crenshaw

There's such a fine line between playin'

attest to its international accent as much as

the golfers from all over the world.
"Maddening to three-putt." an English

"Ocooh, look," one of the Scots was saying Saturday, "Toom Watson is off the

Watson, who was 12 shots behind on Sat-

urday, was accorded polite applause as the

defending champion and, on leaving the

18th green, an Englishman said, "That's not

for what he's done this year, that's for what

he did last year."

Of all the touring pros, Ben Crenshaw is also the most attuned to golf lore. He knows

all the history. The shame is that be's not

"I keep walking down the fairways here, wondering where Henry Cotton hit the ball in 1934 when he shot 65."

In nearly a decade, Crenshaw bas won a

few tournaments and a lot of money, But

he's never won a major tournament. Only

those who win a major are really a part of

His appreciation of golf lore has contrib-uted to his adoption by the British galleries

who love him almost as one of their own, a

reincarnation of some tiny Scot. 2 wee lad

who somebow is a contender with hickory-

shafted clubs and the gutta-percha ball.

Many thought this would be Crenshaw's

year after what he had accomplished the

previous four years - third in 1980 at Muir-

field, tied for second in 1979 at Royal Lyt-

ham & St. Annes, iled for second in 1978 at

St. Andrews, tied for fifth in 1977 at Turn-

But it was not to be. And it fell to Cren-

been able to be part of that history.

golf history.

"Magnifique," a French voice says after a

real good and playin' real had," said Rogers, shaking his head. "The day before [Friday],

By Dave Anderson

New York Times Service
SANDWICH, England — When a raw wind sweeps across the sand dunes of Royal St. George's, the members like to say, "One

But Saturday the golfers and the galleries were taking off their sweaters. They strolled around in their shirtsleeves, almost as if they were at the Bob Hope Desert Classic instead of at the British Open, where the rain is sup-posed to be horizontal, where the chill is supposed to require cashmeres and turtnecks, where only the beer is supposed to be warm.

Perhaps that is why Bill Rogers had a five-shot lead going into Sunday's final

In his seven years on the PGA tour, 29year-old Rogers had won only two tourna-

At the Sea Wall

But Royal St. George's resembled a state beach more than an English seaside golf course on Saturday. Not that anybody was sweating. Nobody sweats here. Perspire a hit perhaps, never sweat.

But out near the sea wall of Sandwich Bay that caresses the English Channel, dozens of autos were parked beyond the fifth hole. Their occupants preferred sunbathing on the rocky beach to watching the world's most international golf event.

This is not The Open, even though the British call it that as if there were no other. For several decades now, the United States Open has been the world's most presugious golf tournament because it annually has the best field. But the British Open is easily the world's most international tournament.

Somebody with a golf hat with "Royal Hong Kong" on it will be standing along-side someone with a golf hat with "Pebble Beach" on it. And the voices in the gallery shaw's buddy, Bill Rogers, to become this year's part of golf history. And it counted,

who, it must be said, appears to have a severe golfing problem when it comes to major championships. He called Saturday's round "the worst golfing day of my life."

the failure of the United States' two biggest guns — Jack Nicklaus and Tom Watson. Nicklaus, holder of a record 17 major professional titles, simply couldn't recover from an opening round of 83, the worst of his career. And Watson, the defending champi-on, took himself out of it with a 75 in the

They finished in a tie for 17th at 290 -- 10 over par. Also at 290 was the venerable and venerated Arnold Palmer.

it looked like Ben would never hit another

bad shot. Only those of us who play this game at the highest level know how thin that line is."

Although Rogers won it, it was one of the

poorest overall performances in a decade by

the Americans, who placed only four men in

At least part of that can be attribited to

the top 10.

But the biggest cheers were reserved for Rogers, who had to force his 145-pound, 6-foot frame through a surging mass of spectators who swarmed onto the 18th fairway and

were scarcely controlled by marshals. On Saturday, Rogers had said: "The finish of the British Open is like nowhere else. Not even the Masters can match it." Then, Sunday, he knew of what he spoke: "It's the greatest feeling in golf. This is incrediole."

FINAL 7-HOLE SCORES

276: Birl Rogers, U.S., 72-66-67-71,

280: Bernhord Langer, W. German., 73-67-70-70. 283: Ray Flayd, U.S., 74-70-69-70; Wark James, & Italia, 72-70-

84: Sam Tarrence, Scotland, उपनेश-१५-१६ 285: Bruce Lielske, U.S. १०-१९-११-७९: Manuel Pinero, Saala,

285: Bruce Liefzke, I.S. 76-67-71-97; Manuel Pinero, Sodin, 73-74-870.

286: Ben Crenshw, U.S., 72-57-73-71; Moward Clark, Sriftain, 72-76-70-63; Brisan Jones, Australia, 73-76-66-71.

287: Isoo Aoki, Janon, 71-77-97-73, Nick Fattia, Britoin, 77-68-69-73; Lee Trevino, U.S., 77-67-70-71.

288: Eamenn Dorce, Britain, 78-69-70-73; Sondy Lyle, Britian, 73-73-71-71; Brion Barnes, Brilloin, 76-70-70-72; David Graham, Australia, 77-77-74-72; Nick Job, Britiain, 76-57-75-74.

289: G. J. Brand, Britain, 78-67-74-72; Parter Townshand, Tobago, 73-70-73-73.

270: Hubert Green, U.S., 75-73-73-97 Mare McNuity, S. Africa, 74-74-74-68; N. Prico, S. Africa, 73-67-76-79; Annold Poimer, U.S., 77-73-71; U.S., 80-73-71-71; Tom Watson, Watson, U.S., 80-67-73-71; Tom Watson, U.S., 80-67-73-71; John Nick Yux, U.S., 83-68-71-73; Tom Watson, Watson, U.S., 80-67-73-71; John Nick Yux, U.S., 83-68-71-73; Tom Watson, Watson, U.S., 80-67-73-71; John Matson, U.S., 80-67-73-71; John Nick Yux, U.S., 83-68-71-73; Tom Watson, Watson, U.S., 80-67-73-71; John Matson, U.S., 80

U.S. 73-74-73-71; Jack Nickiaus, U.S. 83-66-71-73; Tom Watson, U.S. 73-69-75-73; Tony Jackin, Britain, 71-74-76-75, Simon

Owen, N.Z., 71-74-75.
201; John Morgon, Britain, 77-72-73-91; G. Norman, Australia, 77-73-74.
201; John Morgon, Britain, 77-72-73-91; G. Norman, Australia, 77-75-73-74; Trevor Powell, Britain, 75-67-73-75.
202; E.W. Dunk, Australia, 76-67-77-72; Temmy Horton, Britain, 75-73-73-71; Bruce Charles, N.Z., 77-71-71; Magasahsi Danki, Japan, 75-73-71-74.
202; Seve Bullesteros, Spoin, 75-73-74-70, Neil Coles, Britain, 74-73-73; F. Malina, Argentina, 78-85-74-73; Radge Davis, Australia, 74-71-74-74; Johnny Muller, U.S., 71-73-77-74.
204; Ken Brawn, Britain, 75-73-74; Ran Strock, U.S., 78-70-73-74; Terry Cole, Australia 73-73-71-77; Joinne Gonzalez, Brazil, 75-70-76-71; Mark O'Meora, U.S., 74-73-73-75; Holl Suffer Immateur), U.S., 71-77-73-74.
205; David Jones, Britain, 75-67-73-75; Garry Cutlien, Britain, 75-67-73-75; Garry Cutlien, Britain, 25-75-77-75; Garry Cutlien, 25-75-77-75; Garry Cutlien, 25-75-75-75; Garry Cutlien, 25-75-75-75; Garry Cutlien, 25-75-75-75; Gar

297: Eddle Polland, Britain, 75-75-73-75; Garry Cullen, Brit-In. 76-70-73-76; Mike Ferguson, Australia, 75-72-71-79,

799; John B'Leary, Britain, 73:74-75-77, Payne Stewart, U.S., 3-75-74-77; Geoffrey Godwin lamcteurt, Britain, 75-71-72-81, 383; Dick McClean, U.S., 75-73-73-83.

Again, No Egalite: Hinault Triumphs in Tour de France

By Samuel Abt tional Herald Tribum

PARIS - Monarch of all he surveyed d greedy for more, Bernard Hinault on the Tour de France bicycle endurance ce Sunday for the third time in four

"I will get my revenge," he said last year ten illness forced him to withdraw from a race, and Sunday he got just that. Hinault, a 26-year-old Frenchman. arned for victory along the Champsysees as ferociously as he did during the st 23 stages of the race.

Until the last 100 yards he was second the sprint finish before he allowed him-

The winner before a crowd of approxiately 200,000 was Freddy Macrtens, 29. Belgian. This was the fifth victory of the sur for Macriens, who finished far be-and in the overall standings because of is slow times in the mountains.

Hinault also won five stages, four in me trials and one in the mountains, and nished second several times in sprints modern history of the Tour. ad climbs while demonstrating his gener-power. He took the overall leader's yel
34, a Belgian who rides for the Boston

Victory was worth a \$25,000 apartment in Normandy for Hinault, who picked up about that much more in various prizes along the way. He should earn a comparable sum in the series of one-day races in the provinces that complete the calendar after the tour.

was distributed during the race, with the average rider making about \$2,000.

triumph again in the Tour de France. From the start, he dominated this 68th

low jersey the seventh day of the race and team and who won the Tour in 1976. Van held it confidently, even arrogantly, after-

In all: about \$350,000 in prize money

But money was not the major goal this year for Hinault, who rides for the Renault team. Revenge has been on his mind since tendinitis in the knees forced him to if to drop back and let the rest of the quit last year's Tour de France at the half-

> Two months later he captured the world championship, but as he has said many times since, what he wanted most was to

edition of the race, crossing the final finish with an overall lead of 14 minutes 34 seconds, the seventh-largest margin in the

the best mountain racer.

Third was Robert Alhan, 29, a Frenchman with the Redoute team, and fourth was Joop Zoetemelk, 34, a Dutchman with the Raleigh team who won the Tour last year after Hinault's withdrawal,

There were 121 finishers out of the field of, 150 that started the 2,300-mile grind June 25 in Nice. The number of finishers was by far a record, breaking the mark of 104 set in 1974. The average speed during the race, about 24 miles per hour, also set a record, by fractions, for the Tour de France.

Both records testified to Hinault's control of events from the first day, when he Sunday — a 115-mile jaunt from and around the southern outskirts of Paris. So total was his domination that this year's race was the least exciting in years, with even Hinault finally admitting that what he missed most was a challenger.

It is not often that the prize for the most combative racer goes to the longtime leader, as it did to Hinault after only Phil Anderson, a 23-year-old Australian with the Peugeot team, dared challenge him. An-

derson finished 10th overall after a bad day in the Alps.

"Most of the riders just quit," complained Jacques Anquetil, who won the Tour de France five times between 1957 and 1964. "Hinault is so much stronger than the others that his power intimidates

Eddy Merckx, who shares with Anquetil the record of five victories, agreed: "Hinault stands alone, far superior. I always had a strong lieutenant to help me, but Hinault doesn't need one."

"He's head and shoulders above the rest," said Roland Berland, deputy team manager for Peugeot and a former teammate of Hinault. "Frankly, I don't see anybody who is going to change this any-

And neither do Hinault's opponents. As Zoctemcik put it before setting out in Nice: "I'm here to fight for second place."

Alfons de Wolf, of the Vermeer team, who finished 11th overall, had his own expalanation of Hinault's control: "What bowls me over is that be's absolutely the boss. He directs the whole pack, not just his own team. When he says, 'It's going too fast,' everybody slows down. If somebody doesn't listen, Hinault moves to the front and takes off. Behind him everybody understands, When Hinzult wants to beat you, there's no problem for him."

Hinault himself has offered insights into his reputation as a racer hungry for glory who is strong enough to achieve it. When he was criticized for not displaying enough panache in the Alps, he responded by win-ning the next day's climb and then said:

"Panache? Call it what you want. For me it is simply the will to win. I'm a professional, I work at my job. The last word is to be the strongest racer. Whoever is most willing to attack, 10 times, 15 times. he's the one who makes the others pay.

"You call second place a victory? Not

FINAL PLACINGS

3. Robert Alban, France, 17:04. A. Jaap Zaetemelk, Netherlands, 18:21. 5. Peler Winnen, Netherlands, 20:26. 6. Jean-Rone Bernoudeau, France, 23:62.



Michael Spinks' Pound of Flesh: Light-Heavy Title by a Decision

AS VEGAS — Struggling to see t of a right eye that was nearly ollen shut for the last seven mds, Eddie Mustafa Muhamid lost the World Boxing Associ-on light-heavyweight championip Saturday to undefeated Misel Spinks on a unanimous deci-

Spinks, the last of the five gold-dal winners from the 1976 ympic team to reach a chamonship fight, knocked down ustafa Muhammad in the 12th d controlled the fight in the final

Lou Tabat, one of the three iges, scored the 15-round con-1.144-140, Duane Ford had it 6-138 and Charles Minker 145-

pinks — now with 17 victories, ading 11 knockouts — is the ther of Leon Spinks, who won heavyweight championship in Muhammad Ali in February, 8, and lost it seven months lat-

Justafa Muahmmad, who has a 3 record in the 175-pound divislowed the pace, but Spinks across two combinations that sed decide the fight. The first, a r-punch combination in the ith round, swelled the champiright eye. The second, a threech combo in the 12th, ended a right to the head that put stala Muhammad down.

Beat the Clock

arlier Saturday the clocks -: is, the ones you can find in the so that is this gambling center and all moved past 2 a.m. and stafa Muhammad was frantiy jumping rope. Nine minutes bre the 2:30 a.m. deadline, after ip to a health spa and an hour's kout, he weighed 175 pounds, pounds less than be had ghed just two hours earlier. he had weighed as much as a rter-pound more when he ped on the scale at 2:21, he title on the spot.

Spinks had weighed in earlier at 173%. The weigh-in was beld a half-hour past midnight because the light was scheduled for the early afternoon and the fighters did not want to be weighed at dawn. The hour seemed to be to Mustafa Muhammad's advantage. Once he had met the weight requirement, be could eat as much as he pleased and weigh as much as be wanted when he entered the ring.

Spinks had been weighed in his underwear, but when Musiafa Muhammad, naked, stepped on the scale, the women in the crowd were asked to stand back. Al Braverman, the champion's chief second, held a towel around Mustafa Muhammad as he stepped on

Transactions

FOOTBALL ALTIMORE — Traded Fred Cook, defensive and, to the Weshington Redst ins for undisclosed fortil choices; signed Donnell Thorpason, defen-sive end of North Carolina, to a four-year con-

CINCINNATI - Signed Bentle Prvor, light end.

DALLAS — Signed Derrie Nelson, linebocker,
to a molli-war contract.

OENVER — Staned Dave Griffin, offensive
guard, and Clay Brown, light and.
SEATTLE — Ansounced that Scott Phillips,
wide receiver, and Frod Anderson, defensive
end, had opreed to forms, Signed Kenny Easley.

Lift a defending hard.

end, had ogreed to forms, signed knittly caser, UCLA defensive back. TAMPA BAY — Signed Hugh Green, Pitt line-backer, to a multi-veor contract. AHNNESOTA — Signed Jarvis Redwine, Ne-braska running back, to littee one-veor con-tracts.

SOCCER North American Soccer League NEW YORK -- Reinstoled Johan Neeskans

BASKETBALL

PHOENIX — Signed Clyde Dykema, guard, to a multi-year contract.

SAN DIEGO — Signed Calvin Roberts, for word, to a multi-year contract. HOCKEY

National Hackey League
DETROIT — Announced that the contract of
Gilles Gilbert, goaltender, would be renewed for
the 1961-62 season plus an option year.

COLLEGE
MORGAN STATE — Named Torn Morris head

would have been stripped of the the scale. It read 176% - too

The champion's entourage went by car to the nearby Las Vegas Sporting House, a health club that was open - as everything seems to be here - all night. Four or five members were in the place when the entourage arrived. An employee went to get a sweatsuit, another went to look for gum.

Mustafa Muhammad skipped rope for 12 minutes in a rubberized sweatsuit. He was still threequarters of a pound too beavy. He changed into a fresh sweatsuit and did another 12-minute cycle. He was a quarter-pound too beavy. He changed again and jumped some more, and left the club without being weighed. He did not have much time to get back to the hotel.

At 1:55, Percy Richardson, Spinks's cut man, looked at his watch. "He's going to take every minute of it," he said.

At 2:19, when the entourage reached the room for the weigh-in, Mustafa Muhammad was still having perspiration wiped from his face. At 2:21, he stood on the scale. His supporters leaned to look at the numbers as the weights were pushed along the bar and the scale read 175.

The room erupted. Supporters jumped, screamed and hugged the champion as if he bad just won the fight. Mustafa Muhammad was not celebrating. Silently, without a smile, he put on a white terrycloth robe with his name on the back, placed a towel over his head and went up to his room.

"We did it the hard way," Braverman said. But 14 hours later, the champion was dethroned.

Kim Stops Flores in 13th

SEOUL (Reuters) - South Korea's Kim Hwan Jin won the WBA light-flyweight title Saturday night by stopping champion Pedro Flores of Mexico in the 13th



Brian Henton, left, experienced some problems during qualifying runs at the raceway at Silverstone, England. A fire as he headed for a stop in the pits during a practice lap.

Watson Finishes First in British Grand Prix

SILVERSTONE, England — John Wat-son, driving a McLaren and the only Briton in the race, took the lead seven laps from the finish and won Saturday's British Grand

Watson took the lead when the turbo engine in Rene Arnoux's Renault started to fail. The Frenchman, who held a comfortable lead for half of the 68-lap race, was overtaken by Watson to the shouts and waves of the crowd of 80,000.

The Renault engine blew four laps from Only eight of the 24 starters were running

Argentine Carlos Reutemann, in what he called a lucky race, cruised home second to increase his lead in the world championship competition to 17 points (43-26) over Nelson Piquet of Brazil. Piquet crashed his Brabham out of third place on lap II, suffering what was believed to be a cracked leg bone, which

could slow him in coming races. The victory for Watson, one of the veter-ans of Grand Prix racing, was only his sec-ond in 116 starts. The other was at the 1976 Austrian Grand Prix in an American Penske.

54.80 seconds at an average speed of 137.64 mpb (221 kpb), a slow time for the track. Reutemann was 40.65 seconds behind and all the others were lapped. France's Jacques Laffite, in a Talbot-Li-

His winning time was 1 bour, 26 minutes

gier, was third by a car length from a storm-ing Eddie Cheever, the Italian-based American, in a Tyrell. The last points went to Mexican Hector Rebaque in a Brabham, and to Slim Borgudd of Sweden, sponsored by his friends the ABBA pop group, in an ATS.

The other American, former world champion Mario Andretti, bad been fifth in his Alfa Romeo, but the engine blew six laps from the finish. Italian Riccardo Patrese's Arrows expired while he was third only two laps from the finish.

The race started with the Renaults of Arnoux and Alain Prost on the front row, and Prost led from the start.

On the fourth lap, Canada's Gilles Villeneuve spun his Ferrari coming into the pit straight, crashing with world champion Alan Jones' Williams and Italian Andrea De Cesaris in the other McLaren.

Prost led Arnoux by a wide margin, hut at the quarter-distance a turbo failed, and he was out, giving Arnoux the lead by a com-fortable 25 seconds ahead of Watson, Reutemann, Andretti, Patrese and Italian Elio De Angelis in a Lotus.

The race was the ninth in the 15-race series. The next event is the German Grand Prix at Hocbenheim on Aug. 2.

REITISH DRAND PRIX BRITISH DRAMD PRIX

1. John Watson, Britoln, McLoren, 1:26:54.

2. Carlos Reutemann, Argentino, Williams, 1:26:1

3. Jocques Latille, France, Tatbot-Ligler, 1 lop be

4. Eddle Cheever, U.S. Tyrrell, 1 lop.

5. Meclor Repa ms, 1:26:14.15 behind

FORMULA ONE STANDINGS 6. Watson, 19. 7. Prast, 13.

B. Patrese, 10, 9. Cheever, B. 9. De Angelis,

Start in Bucharest United Press International

Borg Comeback

Defeats Lendl in

Stuttgart Tennis United Press International
STUTTGART, West Germany

- Bjorn Borg won the \$75,000

Grand Prix tennis tournament

here Sunday, coming from behind

to defeat Czechoslovakia's Ivan Lendl, 1-6, 7-6, 6-2, 6-4. Lendl, perhaps buoyed by his rout of new Wimbledon champion

John McEnroe last weekend in the

Davis Cup series against the Unit-

ed States, got off to a strong start

against Borg, winning the first set

He then jumped to a 4-2 lead in the second set before the 25-year-

old Swedish star fought back. Borg, ahead 6-5, failed to make

good on three set points, eventual-

ly falling into a tiebreak, which be

serve at 4-4 and Borg clinched the

match and the \$16,000 prize mon-

The Czech, clearly disappointed hy his failure to beat Borg, partly

blamed Polish friend and adviser

Wojtek Fibak for his defeat. He

said he had asked Fibak to come

up from a Grand Prix tournament

in Kitzbuehl, Austria, on Saturday

to belp him train for his encounter

with Borg. Fihak refused, and Lendl told

reporters before the final, "I won't

say another word to him.

Student Games

won. He took control in the third set, taking the first four games.
In the fourth set, Lendl lost his

in 23 minutes.

ey in the next game.

BUCHAREST — The World Student Games officially opened Sunday, bringing together athletes from more than 80 countries to compete over the next 10 days in the world's largest sports event outside the summer Olympic Games.

Romanian President Nicolae Ceausescu declared the Games open in a colorful ceremony before 90,000 people at Bucharest's August 23 Stadium, venue for the track and field events which begin Tues-

Language Word Winnowers

By Trudy Tynan The Associated Presi-

SPRINGFIELD, Mass. 'Cnairone" turned out to be a misfit that was finally dropped in disgrace. The jury is still out on "streaking," but "closet queen" seems in to stay.

Weeding out the winners from the linguistic wailflowers is the work of George Mish, editor in-chief of G. & C. Merriam Co., the United States largest publisher of dictionaries.

The firm has been providing the last word in words for 150 years, since it started by trimming Noah Webster's two-volume dictionary to a "sellable" single volume. Mish. a specialist in medieval languages, bas a lot to say about which words make it into the dic-

tionary and which ones don't. "New words are introduced much faster than old ones die." be said, noting that a "postwar explosion" of words has made space tight even in Merriam-Webster's unabridged editions, containing

nearly balf a million entries. Just because a word is no longer used. Mish is not preoared to jettison it. "You can't get rid of all old words. Even if the only place a word is used is in Sbakespeare, you should he able to look it up in the dictionary. We bave to be conservative when it comes to words used in the major literary works."

Hits and Misses

Although the finished product may become the staio voice of authority, the making of a dictionary can begin with the hits and misses from the pages of Playboy maga-zine or The Wall Street Journal.

"Each of our editors spends part of his or her day reading. Whenever they see a new word or new use of a word, a citation is made and filed," Misb said,

When a word gets enough citations it becomes a candidate for the dictionary. It's tucked away on the second floor, where all the words that have stirred the United States' hopes and fears, laughter and tears since 1790 - and many that didn't - can be found on 1212 million 3-incb by 5-inch file cards.

'One of Biggest Mistakes'

"Mini-cam," for example, became a candidate after Mish beard a crew from a Hariford, Conn., televisioo statioo use it to describe their small, portable camera during an interview at the company.

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"Chairone was one of our big-gest mistakes." Misb said. "It was being pushed by the National Or-ganization for Women and we got a lot of citations for it over a sixto-eight-month period just before we published our latest addendum to the unabridged, so we included it. We should have been more cautious. No one has beard of it

The 30 editors, including specialists in science and sports, can spend their day reading anything from The New York Times and Scientific American to Rolling Stone and Cat Fanciers magazine.

The idea, he said, is to ferret out and record the language as it is used — a decision that has occasionally gotten the editors of Mer-riam-Webster into hot water.

The company's most recent un-abridged edition. Webster's Third New International Dictionary, raised a storm of protest when it was released in 1961 and included what some called slang, to say nothing of more direct four-letter words. And its addenda, oublished every five years with such new entries as "closet queen," continue to

raise eve brows. Mish said he still gets a "couple of letters a year" from readers shocked to have found a "dirty word" in the dictionary, but be said the besitancy of some editors proved unfounded. "Unquestionably these words are used." Mish said. But there's still a place for scholarly caution: one widely used four-letter term for intercourse wasn't allowed in until it built up

"a voluminous fide of citations." Not for Everyone

Although the language may be lively, the quiet life at Merriam-Webster is not for everyone.

"Some people are driven crazy in a few weeks by the routine of work here and what amounts to a library atmosphere. Others stay 20 or more years," Mish said, pointing out that Samuel Johnson, who compiled the first comprehensive dictionary of English back in the 18th century, once whimsically defined his fellow lexicographers as "harmless drudges."

What's needed. Misb said, is a rigorous and analytical mind, an ability to sit at a desk for seven to eight hours a day and "that special feel" for language, "Some of our biggest disappointments were Ph.D.s in English." Misb said.

William Safire on vacation.

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Cowboys

Jeff and Frosty Crane Are Genuine Cowpokes in the Heart Of the American West, but They're a Vanishing Breed

By William Serrin New York Times Service

MEDICINE BOW, Wyo. — Tall, wide-brimmed bats over their eyes, and scrambled eggs, sausage and coffee in their siomachs, Frosty and Jeff Crane saddled their horses an hour past sunrise and rode toward Robbers Roost to check stock.

Frosty Crane split off toward the far end of the range and came up the Roost, a high outcropping of rock, from the side. Jeff Crane rode straight up the old Union Pacific grade. The two met at the base of the Roost, then cantered up a rise, their horses' hooves clattering on the flint and shale. From the rise, the men could

see 60 miles. There was not a sign of civilization except for the Crane ranch below them, five miles west. The few signs of life were cattle and an occasional antelope that would stand still for a moment, then rush off.

Here, on the rise, with nothing before them but a pale blue sky and the seemingly endless great green plains, it seemed that Frosty Crane was correct in what be had said that morning: This was, be thought, the best job in the United States

Frosty and Jeff Crane are American cowboys. In a time when Western clothes, Western music and Western bars are the latest craze, the Cranes are authentic cowboys, not urban or weekend cowboys who never sat a horse or trailed cattle.

Few Left They are among the last of their kind, for there are perhaps only a few thousand men left in the United States who work as

cowboys. Many things have combined to make the traditional cowboy a dwindling part of the work force: wages in the mines and on the oil rigs being constructed in the West: the continuing lure of the city; "new technology." such as jeeps, trail bikes and airplanes: the benefits that one can draw through unemployment or welfare. No one really knows bow many cowboys there are; they are lumped among the nation's

2.7 million agricultural workers. The cowboy of legend, the free-lance, free-spirited horseman, alone for weeks or months with the cattle of a great unfenced ranch on grasslands that



Jeff Crane (left) and his brother Frosty hatted up for work.

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never felt a plow, is an enduring figure, perhaps the central symbol of the nation.

If the myth began in any one place, it started in Medicine Bow and the surrounding area, where in 1885 a young Easterner. Owen Wister, came to study the West. In 1902 be published "The Virginian," which became the first seriously accepted Western nov-

There probably were never more than 40,000 cowboys in the United States. Their palmy days lasted from about 1865, when the big cattle drives north from Texas to the Rocky Mountain grass-lands began, until the late 1880s, when blizzards, barbed wire, overgrazing and plunging cattle prices ended the great days of the

Concocting the Myth

Wister and his friend, the artist Frederick Remington, concocted much of the myth, according to Frank Bergon, co-author of a Western anthology, "Looking Far West." He said the two ignored the facts that perhaps a third of the cowboys were black or Mexican and that the West's economy was even then based on industrial enterprises, such as the

railroad, mining and large-scale

agriculture. Since World War II the cowboy life has all but vanished. Yet Medicine Bow, founded as a sup-ply spot on the Union Pacific Railroad, is much like the West of vesterday.

Wister would recognize the town, which took its name from the Medicine Bow River. It is still a cluster of weathered, often decrepit buildings along the Union Pacific track.

For the Crane brothers, life is much as it always has been for the American cowboy. The Robbers Roost Ranch, five miles from town, has 26,000 acres, almost twice as many as the island of Manhattan. The ranch buildings, some of them 60 years old. are at the confluence of the Rock Creek and Medicine Bow rivers.

The ranch's primary brand is the "Reverse R-Connected R," which stands for Robbers Roost, named because a train robber, Bill Carlisle, used to hold up the

Union Pacific there. The spread was built up by John Crane's father and grandfather, both dead now, beginning about balf a century ago. Today the ranch is incorporated, with the shares beld by Crane; his wife, Carol; Jeff and Frosty;

EMPLOYMENT

their 19-year-old sister, Kim; and their brother, Justin, who is 8.

Frosty and Jeff, who do much of the work, are cowboys by design, not by default. The pay they draw is not high - \$500 a month plus room and board - but they say that even if they were not part of the family business, they would be cowboys. Jeff, 22, spent a semester at the University of Wyoming but quit to be a cow-boy. Frosty, 25, spent a day and a half at the community college at Prescott before he came home for the cowboy's life.

They wear old jeans that are often torn and almost white with many washings, plaid shirts, and large, cream-colored hats.

Jeff's hat is in simple Western

style with two indentations in the front. Frosty blocked his into the classic, high Montana Peak. "You look at these old pictures and that is how the old cowboys wore their hats," he said. He also sports a green neckerchief, and silver spurs jingle at his heels. Both wear classic cowboys boots, without tooling, that cost about \$70 a pair.

Jeff and Frosty Crane can do almost anything that needs to be done on a ranch: shoe a horse, bind a horse's cut leg, shoot a coyote at 200 yards, rope and doctor or dehorn a steer, kill a rattlesnake by striking it behind the head with a lariat, curse when cursing is called for.

The ranch has always demanded perseverance. The tempera-tures reach 110 degrees Fahrenheit in summer, 50 degrees below zero in winter.

But, all in all, things seem pretty good. The ranch has about 700 cattle and 1,200 sheep. The ranch has 25 horses, and it is not unusual for Frosty or Jeff to ride 60 miles a day to check stock.
"There'll always be cowboys

but, my God, not like there was once," John Crane said. Maybe the Cranes cannot hold on; maybe the West cannot, either. Mining has brought the West the same problems it brought Appalachia: junky towns, trailers, transient workers, communities without sense of community. Industrialized cattle raising is forcing many family ranches out of

But in Medicine Bow, in the beart of the West, are cowboys, as there were a century ago.

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Bahamian Caretakei PEOPLE: To Go to Royal Wedd cendant,King Juan Carlos t,

current monarch. Spanish soic in 1782 founded a presidio in L

city and King Carlos I was to mar the occasion and oedicate the gi

on a visit to the United States la

February. But trouble in Spai

resentatives of the Santa Barbara Indian Center. El Concilio de la Raza. La Casa de la Raza and the Legal Defense Center argued that to native Americans and Mexican-Americans the statue of King Carles and the Legal Defense center argued that to native Americans and Mexican-Americans the statue of King Carles and Mexican-Americans the statue of King Carles and Mexican-Americans the statue of Carles and Ca

los would be a symbol of oppres-

sion. The city council subsequently reversed its decision to give the

statue a prominent place in the city. Yet supporters of Carlos III

contend that the king should stand

someplace - someplace more hor-

orable than a storage bin. But until

the city can come up with an alter-

nate site, the monarch stands de-

The proudest man on the Bahamian island of Eleuthera these days is reportedly Henry Sands, a caretaker. For the last eight years Prince Charles has vacationed at the villa of his godcanceled the trip. And now trouble in Santa Barbara has left the statu, in storage and its \$6.254 pedesistempty in De la Guerra Plaza. Representatives of the Santa Barbara mother, Lady Patricia Braebourne, where Sands works, and the prince and the careraker developed a great liking for each other. So much so that the prince sent Sands an invitation to his wedding in London on July 29. Sands said he did not know what to do because flying to London takes money, and besides, he did not have the proper attire for the royal festivities. But newspapers in Nassan got wind of the institution and Sands 55 will the invitation, and Sands, 55, will now be flying to London with his wife on a free ticket. A store in Coral Gables, Fla., will be ontititing him, too, in a top hat and morning coat. "I was extremely surprised to have been invited to the wedding," Sands said. 'And even more surprised to be going."

In Ottawa, a flattering biography of Prime Minister Pierre Elliott Trudeau, describing him as a self-sacrificing man of "keen, biting intellect," is being distributed to hundreds of journalists by organization of the search country accounts. Twenty-one years ago, when he was in Italy as a talent scout for the Greater Miami Opera Association, Emerson Buckley heard a relatively unknown tenor from Modena who impressed him greatly. Buckley hired the singer on the spot. Three years later, the singer, ers of the seven-country economic summit meeting that began Sunday. A copy of the biography is included in a press kit, which pur-Luciano Pavarotti, made his debut at the Metropbian Opera in New York and he has always remained ports to contain the background grateful to Buckley for having had so much confidence in him. Now Pavarotti, at work in Hollywood story of Trudeau's attempts !? bring the Canadian Constitution home from Britain. But the storon his first movie "Yes, Giorgio," neglects to point out that eight has had the chance to return the provinces opposed Trudeau's elfavor. The tenor was asked to rec-ommend a conductor for the sequences in which he sings with forts and launched challenges in court to stop him. Meanwhile. Progressive Conservatives are angry the orchestra. Pavarotri insisted that taxpayers' money is being that Buckley be engaged and when used to sweeten the prime ministhe Miamian arrived on the M-Gter's image. M lot, the movie's director, Frank-lin J. Schaffner, decided that Buckley was just the right man. A Berry Gibb of the Bee Gees has paid \$1.4 million for a 45-year-old. role of operanc and symphonic conductor has been written into

told I come off as a cross between Sir Thomas Beecham," Buckley said, "and Mitch Miller." * * * When is a king a great monarch or an imperialist oppressor? That question is at the heart of a dispute among residents of Santa Barbara, Calif. They are trying to decide what to do with a six-foot statue of King Carlos III of Spain that was presented to the town by his des-

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the script --- just for Buckley, who

has been artistic director of the

Miami Opera for 30 years. "I'm

12-bedroom mansion, his second purchase of a million-dollar home at Miami Beach, Fla., according to court records. Two years ago, the Australian-born singer paid \$1,047,500 for a 10-bedroom, 7bath mansion just down the street from his new purchase. But the first house is up for sale at \$1.5 million. He and his wife. Linda. also own a third Miami Beach home that they bought in March. 1979, for \$262,000. "Barry likes to get in at the bottom end, fix them up and then sell them," Gibb's manager Dick Ashby.

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